Observe Fire Prevention Week—Oct 9 to 15

THE FINANCIAL POST

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The Nation's Business

A Canadian Who Came Back
Maritimes Feel Grievances Unrighted
Say Most of Duncan Report Ignored
Geneva and Pulpwood

CANADIANS always read with interest, that is mixed with regret, articles about fellow natives of this country who have gone to the United States and there made good. We are glad to see them succeed, but we wish they had remained in Canada to find their opportunity. More interesting though are the records of men who have gone to the United States and have later come back to Canada from their own choice to find even a greater sphere of usefulness within the boundaries of their native land.

About a year ago Ross H. McMaster became president of the great and prospering Steel Company of Canada. Mr. McMaster is a Canadian who found success in American business only to return to Canada and find greater success here. And the recent selection of A. Melville Dollar, of Vancouver, as president of the Canadian Chamber of Commerce serves to illuminate one vital fact in his career; that he, too, was born in Canada, became a leading business man of the American Pacific Coast and then returned to Canada, where his opportunities for the conduct of profitable business and for public service have been immensely broadened.

It is a question if the first quarter of the present century has been Canada's. We have made much progress, but in the same period the United States has made more. There is no question now, however, that in the minds of far-seeing capitalists and ambitious individuals the balance of the century will belong to Canada.

* * *

ONLY two of the thirty recommendations made in the report on Maritime rights by the Duncan commission have been carried out. True, some of the recommendations have been carried out in part, but there are many more to which no attention has been paid by the federal authorities. It seems strange that the government should go to the expense of appointing a commission to ascertain if the Maritime Provinces were suffering under other than imaginary disabilities and then, after learning from the studies of such an able group as the Duncan Commission that the Maritimes had received very shabby treatment, it should take steps to prevent the carrying out of some of the measures designed to place the three Atlantic provinces on a fair and equitable footing with the other provinces.

To-day the government railways are spending taxpayers' money in fighting some of the rate changes recommended by Sir A. R. Duncan. In view of this state of affairs many Maritime folk now feel that the Duncan commission was merely a political football, used as a means to an end, an end which would conclude the Maritime rights question at practically no cost to the Dominion.

*

LITTLE has been done to right the difficulties under which these provinces have labored for many years. Ottawa has apparently been able to create an impression throughout the remainder of Canada that all the wrongs under which the Maritimes have labored for sixty years have been righted, but from thirty recommendations only two to date have been carried out.

Sir Andrew Duncan and his fellow commissioners felt that the Maritimes have long received most unfair treatment. The commission made recommendations which showed how such wrongs could be righted in part. The carrying out of these recommendations must cost the other provinces something, perhaps a lot but the cost would not be excessive as compared with a prosperous and contented Maritimes.

* * *

CABLE despatches from Geneva state that the United States will use the League of Nations in an attempt to force the Canadian government to eliminate the restrictions on the export of pulpwood from the Dominion. A conference is being held at Geneva on the subject of import and export restrictions and prohibitions. This is a follow-up to the work of the World Economic Conference last spring.

There is every reason to believe that the cable despatches have placed a wrong interpretation upon the aims and desires of the United States. At the World Economic Conference, a preliminary draft of an international agreement on export restrictions was presented, under which the nations subscribing to the agreement would agree to "abolish all import and export prohibitions and restrictions." Certain reservations were to be permitted but a study of these did not at once indicate that the export restrictions of Canadian provinces upon the export of pulpwood would be excepted. In fact it was clearly indicated that

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Ontario Bakeries Owns 16 Plants in 9 Cities

With the purchase of the Golden Grain Bakery at Sault Ste. Marie, Ontario Bakeries adds another to its chain of baking establishments that covers many of the smaller cities of Ontario. Negotiations are in process that may bring into the merger a number of other Ontario cities not now represented in the field of operations of the company.

Ontario Bakeries has during the past six months acquired bakeries in Stratford, Guelph and Woodstock. Including the recent acquisitions, the bakeries now owned are located as follows:

Stratford (three plants)
Guelph (three plants)
Woodstock (two plants)
North Bay
Sudbury (two plants)
St. Catharines (two plants)
Barrie
Midland
Trenton

Total: Nine cities and sixteen plants.

Concentrate in One Plant

In cities where more than a single plant are owned, the general policy of the company is to concentrate production in a single plant in the interest of economy.

At the present time, additions are being built to three plants; these are in Sudbury, Guelph and Barrie. Expanding business has made these additions necessary.

Company is said to have increased its sales 80 per cent. this year in the plants acquired a year ago. This increase does not include increased sales due to the acquisition of additional plants since that time.

Ontario Bakeries is now baking about 150,000 loaves daily or 8,000,000 loaves yearly in addition to cakes, pastries, etc.

Offer Made to Buy

Company was recently approached by interests believed to be acting for Northern Bakeries with a view to purchase of control of the company. It is not believed that any deal will go through and a director stated that no negotiations had taken place.

Ontario Bakeries is believed to be the fourth largest bakery group in Canada, being exceeded by Canada Bread Company. Northern Bakeries and Canadian Bakeries, probably in the order named.

Southern Canada Power to Pay $4 Annually?

Company Will Be Able to Make Four $1 Per Share Disbursements in '28

EARNINGS INCREASED

Improbable Only Three $1 Payments Will be Made—Territory Served Makes Progress

From Our Own Correspondent.

MONTREAL. — This year the Southern Canada Power Company has declared three dividend disbursements of $1 per share on the common stock. But the usual practice of corporations is to pay either two or three dividends annually. Thus in 1928, many close to the company feel that Southern Canada Power may pay quarterly dividends of $1 per share, thus placing the stock on a $4 annual dividend basis.

While the statistical records show that the company has only been earning its dividend requirements by a narrow margin, yet earnings on the common for the year which ended September 30 last will be substantially increased and with the abundant power resources which the company has at its disposal, further increases in the net profits may be anticipated in 1928. These increases in the earning would be sufficient to allow the company to pay out $4 per share on its stock next year. Such a disbursement, according to the statistical profit and loss records would leave only a narrow margin to be credited to profit and loss account. but the annual income accounts of the Southern Canada Power present a conservative picture of the results of its operations. A comparison of the annual balance sheets shows that in the past a greater proportion of the profits have gone back into the property than is revealed in the annual profit and loss statements. That the company will be on a $4 dividend basis next year, thus seems to be a reasonable forecast. This will of course depend entirely upon the attitude the directors of the company assume regarding such an increase in the next fiscal year.

The completion of the Southern Canada Power Company's more important hydro-electric developments in the Eastern Townships, that section of Quebec extending from the St. Lawrence River to the international border, and the steady industrial expansion which has followed in the wake of cheaper power in this district is being brought to the notice of investors by the betterment in the earnings of the company.

The gigantic undertakings in the Lake St. John district, and the phenomenal discoveries made in the Northern Quebec and Ontario mineral fields, may have served to divert attention from the constant growth which has taken place in the Eastern Townships, but the steady rise in the value of the Southern Canada Power Company's stock and the recent payment of one dollar a share on its common stock, in addition to the regular annual payment of $2, has attracted attention to the development which has taken place.

The growth of the several thriving cities and towns in the Eastern Townships has been largely due to the Southern Canada Power Company's development of power sites in this region.

Total Development

The Southern Canada Power Company has a total development of approximately 59,000 horsepower at the present time. Its largest plant is at Hemming's Falls, three miles above Drummondville on the St. Francis River. This plant has a generating capacity of 36,000 h.p.; it was begun in September, 1923, and was placed in full operation on June 1 of this year. The power is generated by six units of 6,000 h.p. each.

The Lord's Falls hydro-electric station is situated at Drummondville. The plant, which was originally built in 1919, was enlarged in 1926. Some 18,000 h.p. is

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Montreal Talks With London by Wireless

From Our Own Correspondent.

MONTREAL. — The beam wireless telephone was employed by two Montreal brokerage houses to get in touch with principals in London, England, this week. The voices came in clear and strong at both ends of the connection, and the business in hand was successfully dealt with. The charge for the service amounted to $70 for three minutes.

EXPECT SUN LIFE TO SPLIT SHARES ON 10 TO 1 BASIS

Compromise Effected with Dominion Insurance Authorities

MAKE CALL ON STOCK

Higher prices, and an official notification that in January, 1928, the capital stock of the company will become fully paid-up, are taken as an indication that a split is soon to be made in the stock of the Sun Life Insurance Company. The most recent sale is reported as at around the $1,800 figure which is exactly double the prices which prevailed for this stock about six months ago. At the beginning of 1927, the current quotation on Sun Life stock, was about $560.

As it now stands, the authorized capital of the company is $2,000,000, of which only 75 per cent., or $1,500,000 is paid-up. This week, however, President T. B. Macaulay notified the company shareholders that on January 2nd, 1928, they would be invited to subscribe the additional $500,000, and thus make the stock fully paid-up.

Bill Before Parliament Withdrawn

At the last session of parliament, the company applied to the Dominion Government for certain changes in its capital stock. These changes provided for a split in the company's stock; an increase in capitalization from $2,000,000 to $4,000,000; and various other clauses designed to prevent any possibility of control of the company passing across into foreign hands.

At the last minute, when the principle of the bill had apparently been approved by Parliament, some opposition arose, and the bill was withdrawn. During the summer it was learned that some sort of an agreement had been reached between Dominion authorities and the company, and that at the coming session of parliament, the bill would once more be submitted, and it is expected that it will this time receive the stamp of parliamentary approval.

Expect Ten to One Split

Parliament has not yet met, but this official announcement by President Macaulay is interpreted by many as prophetic of a successful passage of the bill through parliament, to be followed by a splitting of the capital stock, on the basis of ten shares of new stock for every share now outstanding.

Even if this split does not transpire within the next few months, there is every indication that the dividend rate on the stock will be increased in accordance with the new amount of paid-up capital. At present, the annual dividend amounts to $18.75 on a share of stock which is 75 per cent. paid up. On the fully paid-up stock, this dividend would probably be increased to $25.

OFFICIAL DENIES SALE TO A. & P. BY DOM. STORES

But Something Nice is in Wind for Holders of Shares

EARNINGS INCREASING

Future of Stock is Bright Whether or Not Melon is to be Cut in Immediate Future

Dominion Stores stock has risen from 80 to 96 in the last week.

It is stated officially that Dominion Stores will not be sold or merged with A. & P. or with any other chain store organization and that Dominion Stores has not offered to buy any other organization.

But while this official statement is to be accepted as authentic, it is believed probable that something is in the offing which will work to the advantage of the shareholders in the not distant future.

May Be New Rights

Whether or not new stock rights are to be issued or the dividend raised materially, the fact remains that Dominion Stores stock is the leading chain-store stock in Canada, and the current earnings are showing a normal increase.

Last year, the common stock earnings were $5 the share after preferred dividends and a charge of $91,000 as premium on preferred stock redeemed subtracted from surplus. This year there will be no dividends ranking prior to the common and there will be no premium to pay. For half the year, dividends apply to 82,500 shares of common, compared with 75,000 for the first half of the year and for 1926.

It is said that earnings are increasing at about the rate anticipated. From the record of the company in the last four years, and bearing in mind the increase in prosperity, it is thought probable that the company could show earnings of about $8 the share on the increased amount of stock outstanding. Earnings of $8 would presage a material increase in the dividend from $2.40.

A. & P. Competes

Dominion Stores, as was reported in The Financial Post some weeks ago, is faced with competition of A. & P. stores in Montreal. The big United States company has opened 40 stores since the beginning of the present year. An expansion program of considerable magnitude is apparent.

A Dominion store and an A. & P. store in appearance, method, merchandise and prices are alike as two peas in a pod. Dominion Stores is said to be an exact copy of the most successful chain grocery system in the United States. A. & P. is opening stores in localities already being served by Dominion. In some instances, both companies have opened stores in the same block in the same week.

The effect on Dominion Stores sales,

(Continued on page 9)

Dominion Orders Planes from Vickers

Canadian Vickers have received a new order for twelve aeroplanes from the Dominion Government, part of the Government's proposed new fleet of twenty-six machines of which eighteen are to be built at once.

The Government is stated to be ready to provide aircraft for civic flying clubs in pursuance of its program to develop aviation in Canada. The planes are to be supplied to the clubs free of charge and the government plans are said to call for some fifty to sixty planes for this purpose.

Vickers have already built a number of planes for the government, all of which have given complete satisfaction.

REPORTED GENERAL MOTORS TO BUY FT. WILLIAM PLANT

Canadian Car & Foundry Has Contracts for Auto Frames

From Our Own Correspondent.

MONTREAL.—It is reported that General Motors is interested in the Fort William plant of the Canadian Car and Foundry Company and that there are prospects of its purchase by the big automobile corporation in connection with a proposed extensive program of expansion in the Canadian field.

A director of the company denies that any deal is contemplated.

General Motors and the Canadian Car & Foundry Co. have been working in close harmony during the past year and considerable strength is given to the report in view of the big contract secured by the Canadian Car & Foundry Company for the manufacture of the automobile chassis frames for General Motors.

The fiscal year of the Canadian Car & Foundry Company closed on September 30th, and while no official figures are available, it is believed that the annual statement of the company will prove a very cheery one for its shareholders. The prospects for

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Fire Prevention Pays: Losses Begin to Drop

Dominion Fire Commissioner Reviews the Results Achieved During Past Five Years

By J. GROVE SMITH, *Dominion Fire Commissioner.

Once again the people of Canada are called upon to observe the week commencing October 9th as Fire Prevention Week. In the most emphatic manner they are enjoined to correct those conditions which menace our national prosperity by destroying created wealth and human life. So elementary are the requirements indicated and so definite are the benefits afforded that every citizen unquestionably will welcome the summons to action contained in the Royal Proclamation expressly authorized by His Excellency, the Governor General of Canada.

Work Goes Back a Decade

While Fire Prevention Week has a legitimate purpose in bringing new enthusiasms to birth and in re-energizing flagging interest, it must be recognized that the objectives of the occasion cannot all be attained in a single week. Instrumentalities are required constantly to direct public attention to the extent and causes of Canada's fire loss and to the importance of curtailing so unnecessary an economic waste. It is of value, therefore, that we attempt briefly to review the work in its larger and more permanent aspects and, as far as possible, evaluate its more definite accomplishments.

The history of fire prevention in Canada is largely contained within the record of the last decade. Prior to that time, the destruction of property by fire was extensively regarded as the sole concern of the fire insurance companies affected thereby. But the efforts of a little band of men who perceived the true significance of the fire loss and its importance in the national economy, eventually bore fruit. To-day, the provincial governments all maintain fire marshal departments specifically authorized by statute to deal with the fire problem within their respective jurisdictions. The Dominion Government, through the Department of Insurance, is supplementing the efforts of the provincial authorities and as far as practicable has effected co-ordination of the work throughout Canada.

Field of Work is Broad

The activities undertaken by these several agencies include the discovery and prosecution of cases of arson, general inspection of property for the elimination of fire hazards, promulgation of regulatory ordinances prescribing safety measures for building construction and maintenance and for the use of dangerous materials and processes, recommendation of improved systems of municipal fire protection and the equipment of individual properties with effective fire extinguishing facilities, general dissemination of information respecting methods of securing safety from fire and the organization of channels through which these manifold activities may function. The field covered is as extensive as human enterprise and as diverse as human motives. The monetary cost of the service rendered is unquestionably less by comparison than that of any other branch of public welfare work. The aggregate expenditure of the provincial departments amounts to approximately $180,000 per annum, all of which is secured by a special tax levied upon the premium receipts of the fire insurance companies operating in Canada. In addition, the Dominion government appropriates from the general revenue, an annual grant of $10,000. In all, the fire prevention activities carried on by governmental agencies calls for an annual expenditure of less than two cents per capita of the population at large.

Fire Losses Show Decline

Naturally, the question arises, "Have the efforts put forth been productive of any tangible results?" Statements em-

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*Hon. Secretary, Association of Canadian Fire Marshals; Executive Officer, Dominion Fire Prevention Association.

Second Hardware Merger to Cover Quebec and East

Stores Worth $4,000,000 Involved in New Chain

MONTREAL TO ST. JOHN

Stores Have Yearly Turnover of $5,000,000—Sponsored by Promoters of Ontario Merger

From Our Own Correspondent.

MONTREAL. — Following recent successful conclusion of an important merger of wholesale and retail hardware establishments in the province of Ontario, a similar eastern merger is in process of being worked out. This will take in leading hardware stores throughout Quebec and the Maritime provinces; will be interlocked with the Ontario merger in its directorate, and to some extent in ownership, and will be financed through the same investment house.

Montreal, Quebec and Saint John Hardware Company is likely to be the name of the new merger. Stores will be controlled in the following centres and probably some others:

In Quebec:
Montreal
St. Hyacinthe
Sherbrooke
Three Rivers
Quebec
In New Brunswick:
Fredericton
Saint John

Open Additional Stores

Additional stores will be opened in the newer industrial areas of Quebec, particularly in the Lake St. John country and in the mining fields.

Gordon C. Seybold, a director of the Cochrane Dunlop Hardware Company, the Ontario merger, is said to be the active organizer of the new Eastern hardware combination and will likely be its first president. Mr. Seybold was Seybold Hardware Company, the large Montreal wholesale hardware firm that went into the Ontario firm. This wholesale house will be the chief connecting link between the two chains.

May Be Four Montreal Stores

The number of stores to enter the new merger is not as yet determined, as negotiations are still in process. However, there will be at least two in Montreal (and possibly more, since a successful local chain of four stores may enter the merger), two in Quebec City; three in St. John and one each in the other centres.

Nothing definite has yet been closed in regard to the Montreal situation. In Quebec, the Shaw Hardware and one other, a French-Canadian house, are mentioned. In Saint John, the three leading hardware stores are likely to be merged in the new enterprise. These are S. Hayward and Company; W. H. Thorne and Company and Robertson, Foster and Smith, a large wholesale house.

Sell $5,000,000 Yearly

Turnover of the stores in the group is said to be in the neighborhood of $5,000,000 yearly and about $4,000,000 of capital is involved in property and inventories.

Financial sponsors for the new enterprise are understood to be Willison Neely Corporation of Toronto.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Easy Money Conditions Dominate Business Situation
Dollar Volume of Business Again Increases in August
Commercial Failures More Numerous; Aggregate Lower
September Construction Records Good Improvement
External Trade Situation is Unchanged

IT IS significant that nearly every important line of business or manufacturing activity carried on in Canada, has shown an increase this year of roughly ten per cent., as compared with the corresponding period of 1926. Naturally there are exceptions, notably in the flour milling industry, but taking the situation as a whole, conditions are better than they were last year.

Easy money conditions form the dominating factor in the present situation, and will continue to do so in the months just ahead. There is more money available in Canada at present than in the boom days of the war, when high wages and huge profits were so prevalent. This has had the tendency of creating an optimistic feeling in regard to business, the volume of which is keeping up in a remarkable manner.

Savings deposits have been mounting rapidly for several months past. The banks are finding that new developments are being financed on very favorable terms. A large amount of refunding and new capital issues have been placed on the market within the past year at considerably below the six per cent. mark. It has been particularly noticeable that good bonds are yielding a very low return and the amount of money diverted into common stocks and speculative channels, has reached proportions far above anything yet recorded.

Bank Debits Larger

With this situation in evidence over the greater part of the Dominion, it is not surprising that the dollar volume of business, as represented by bank debits to individual accounts, should show a consistent increase from month to month over the figures for the corresponding periods of 1926. During August last, there was an increase in debits of 6.5 per cent. over the same month a year ago, while the increase over July last was 4 per cent. when allowance is made for seasonal variations. Since the beginning of the year there has been an increase of 9.9 per cent. over the figures for last year.

A comparison of the August figures in the five economic areas with 1926, shows that there has been gain in all except Quebec. Cumulative figures for the eight months stand out equally as well. The Maritime Provinces show a slight decrease as compared with 1926, but is much greater than in 1925 and about equal to the 1924 mark, Quebec reports the highest figure in the past four years, as does Ontario. There is a slight drop in bank debits in the Prairie Provinces, but here again there is an improvement over the returns for 1925 and 1924. British Columbia, like Ontario and Quebec, reports a new high mark for the eight months period.

More Commercial Failures

Despite the apparent increase in the dollar volume of business, assignments under the bankruptcy act in August show an increase, not only in number but in liabilities. This can only be accounted for by the keener competition and narrow margin of profit, which has resulted in weeding out business concerns conducted along inefficient lines.

As usual trading establishments constituted a majority of the failures. There was also an increase in the number of assigning manufacturing establishments. Of the 147 commercial failures in August, these two divisions accounted for 59 and 37 respectively, while agriculture numbered 10, logging, fishing and trapping 3, mining 2, construction 5, transportation 3 and service 21. The aggregate number of failures since the beginning of the current year now totals 1,150. This is only 41 in excess of last year, and considerably less than in either 1925 or 1924. Moreover, there has been a decline in liabilities favorable to 1927.

Building Values Greater

An optimistic sign of the trend of activity in the key industries for the fall and winter months, is to be seen in the record volume of construction reported for September. During that month, projects were actually started or contracted for to the estimated value of $32,787,700. This brings the contracts totals awarded for the year to date well ahead of that for the previous year, which was the best since the boom years of 1913 and 1914. It now stands, according to MacLean's Building Reports, at $304,873,700, compared with $280,865,400, in the first eight months of last year, an increase of 8.5 per cent.

It is noteworthy that the building undertaken this year has not been in the form of a number of large engineering projects, such as has been the case in other years. To date, business buildings are well in the lead, accounting for over one-third of the total value. Residential work is slightly less, while public works and utilities are next in importance. Industrial undertakings now stand at $32,051,200, or about 10.5 per cent. of the aggregate total.

External Trade Unchanged

In some respects, there was no outstanding change in the external trade situation during August last, imports continuing in excess of exports, although not to the same extent as in July. Last year, for the same month, there was a favorable balance of about $2,000,000, but this year there has been an about face and an unfavorable difference of about $4,000,000 reported. For the twelve months ended August, 1927, there has been an increase of $17,000,000 in total trade, of $90,000,000 in imports, and a decrease of $73,000,000 in exports, as compared with the preceding year. At the same time duty collected increased $15,300,000.

More prosperous internal conditions have undoubtedly been mainly responsible for this heavy increase. Automobile importations, for example, increased by $13,000,000. Metal purchases of all kinds jumped $32,000,000. Petroleum imports advanced $7,000,000, etc. While the decline in exports has been mainly due to the lower purchasing power of markets abroad, the decline in commodity values has also had a great deal to do with it. Another fact which is often overlooked is that since the refining of gold at the Ottawa Mint, exports of this commodity have dropped by about $20,000,000.

Agricultural Survey

Threshing Well Under Way
Heavy Wheat Crop Assured
Eastern Conditions Average
Import Demand Uncertain

Cutting for all practical purposes was completed last week, and threshing is well under way. Some districts in the West report as much as 75 per cent. of the grain threshed.

Yields and grades in Alberta are coming up to expectations, but in Saskatchewan grades will be lower than usual while yields will be about average. The situation in Manitoba is not very favorable. This year's wheat acreage in that province is the smallest in the last 25 years, and is only 96 per cent. of the 1926 acreage, which was much lower than it was a few years earlier. For this reason, the yield is likely to fall considerably below the ten year average of 43,600,000 bushels of wheat. Present prospects are for a yield of around 35,000,000 bushels.

Despite the setback in Manitoba, the other provinces will have a good yield, particularly Alberta, which expects the heaviest returns in its history. The Government and the Free Press reports are being taken as a reasonably accurate measure of the final yield, although there are still many private estimates being circulated. In each case, however, it is generally admitted that the yield will go over the 400,000,000 mark.

Eastern Conditions Fair

"Satisfactory conditions" is the usual term used in describing crops in the East. Quebec anticipates an average grain crop, and good yields of root, vegetable and fodder crops, with the exception of corn and potatoes. Fall wheat yields in Ontario are lower than expected. Potatoes, turnips and sugar beets are good, and from 80 to 90 per cent. of a splendid tobacco crop is under cover. Winter apples and pears are light and grapes are about 80 per cent. of average.

The Maritimes report an average crop of oats. Wet weather has damaged potatoes, but the loss is still undetermined. It is generally agreed, however, that the marketable surplus will be under average, although the unusual care taken with the crop this year may possibly result in an improvement of quality in the registered seed areas.

Market conditions continue to hold up, with slight fluctuations in the price of leading grains. Export demand has been quiet on account of the prospects of smaller requirements by importing countries. While Canada and the United States together show an increase of 78 million bushels of wheat in this year's estimates, nineteen countries of Western Europe show an increase of 98 million bushels. These countries represent the bulk of the world's import demand.

Import Demand Uncertain

Outside of Europe, the Orient is the most important single importing area. Demand for wheat from that quarter is likely to be less during 1927-28 than during the preceding season. The yield of wheat in North Manchuria this year has been unusually good. In China proper, likewise, the crop is reported to be good, especially in the districts which supplies the Shanghai mills.

A bright feature of the import situation is that not only is it possible that North American supplies may be reduced, but it may be entirely offset by declines in the Southern hemisphere if drought continues to harass the crops there. Already it is fairly certain that the Australian crop will be smaller than last year's outturn, and some look for a reduction of at least 60,000,000 bushels.

Argentina likewise has had dry weather, and while the situation has been partially relieved the crop is by no means free of danger of drought damage. If the Argentina crop comes through in fair shape, even though the Australian crop is small, total export supplies for the season apparently will be sufficient to meet import demand without drastic price adjustment.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (Aug.)	63,234	58,780	517,844	496,876
Steel, tons (Aug.)	77,479	45,674	620,039	541,705
Newsprint, cwts. (Aug.)	180,187	162,545	....	....
Automobiles (Aug.)	12,526	15,261	150,321	155,346
Boots and shoes, pair (July)	1,344,232	1,485,225	10,191,993	9,931,670
Flour, bbls. (June)	1,314,212	....	8,105,839	9,024,000
Construction—				
Contracts awarded (Sept.)	$32,787,700	$20,761,400	$304,873,700	$280,865,400
Building Permits (Aug.)	$29,651,888	$11,672,599	$127,609,318	$109,211,942
Labor—Employment index (Aug.)	....	....	109.7	104.9
Transportation—				
Car loading (to Sept. 24)	74,856	75,961	2,337,495	2,235,187
C.P.R. gross (Aug.)	$17,258,634	$16,630,174	$122,129,911	$118,456,381
C.P.R. net (Aug.)	3,862,148	4,305,375	20,001,234	22,183,197
C.N.R. gross (Aug.)	$21,670,324	$21,059,374	$172,401,492	$167,799,279
C.N.R. net (Aug.)	4,094,298	4,027,133	20,632,067	23,049,875
Population—				
Emigration (July)	7,180	......	81,506	......
Immigration (July)	12,288	16,227	89,722	64,531
Trade—(Aug.)—				
Imports	$99,348,340	$89,669,575	$724,585,923	$665,220,034
Exports	$94,216,194	$90,621,419	$736,035,397	$806,569,372
Imports of key products (Aug.)—				
Rubber, lbs.	4,509,642	......(12 mos.)	56,359,087	46,189,124
Cotton, lbs.	7,266,657	......(12 mos.)	145,180,642	134,405,517
Sugar $	4,657,478	......(12 mos.)	800,126	1,050,061
Petroleum, gals.	77,253,495	......(12 mos.)	796,357,772	601,312,867
Coke, tons	72,823	......(12 mos.)	800,126	1,050,061
Exports of key products (Aug.)—				
Newsprint (cwt.)	3,262,301	......(12 mos.)	36,354,500	32,384,966
Automobiles, pass. (No.)	3,020	......(12 mos.)	51,597	55,995
Wheat, bus.	12,197,098	......(12 mos.)	253,922,029	269,761,912
Wheat Flour, bbl.	513,702	......(12 mos.)	9,302,114	10,671,368
Finance—				
Failures, number (Aug.)	147	121	1,150	1,109
Failures, liabilities (Aug.)	$2,371,788	$1,971,664	$18,765,691	$18,518,577
Bank Debits (Aug.)	$2,607,000,000	$2,446,000,000	$21,313,000,000	$19,411,000,000
Bond sales (Aug.)	$7,701,015	$13,894,036	$324,464,800	$414,015,862
Stock prices index (Sept. 17)	....	....	430.1	215.3
Insurance sales (Aug.)	$38,360,000	$36,010,000	$325,198,000	$304,928,000
Wholesale prices (1913-100)—				
General index (Aug.)	....	....	152.3	154.0
Iron (July)	....	....	143.6	143.7
Cotton	....	....	148.6	158.0
Grains	....	....	181.6	171.4
Cattle	....	....	123.5	109.0
Rubber	....	....	57.7	65.8

Business Conditions in United States

Dollar volume of business in the United States during the week ended September 24, as seen from data on check payments, was substantially higher than in either the preceding week or corresponding week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices showed practically no change from the preceding week, but were still below the level of a year ago. Prices of cotton averaged lower than in the preceding weeks, but were substantially higher than in the same week of last year. Prices for wheat averaged lower than in either prior period, with iron and steel prices making similar comparisons. Receipts of cotton into sight, although greater than in the preceding week, were substantially smaller than in the corresponding week of 1926.

Loans and discounts of Federal reserve member banks showed no material change from the preceding week, but were higher than a year ago. Prices of stocks listed on the New York Stock Exchange averaged lower than in the preceding week, but were substantially higher than in the corresponding period of last year. Interest rates on call loans, although lower than in the same week of the previous year, were higher than in the preceding week. Bond prices averaged higher than in either the preceding week or the corresponding week of a year ago. Interest rates on time money averaged lower than in either prior period. The Federal reserve ratio averaged higher than in either the preceding week or the corresponding week of last year. Business failures, although less numerous than in the preceding week, were slightly greater in number than a year ago.

Production of bituminous coal during the week ended September 17, although greater than in the preceding week, was smaller than in the same week of last year. The cut of lumber during the same week was larger than in either comparative period. The output of beehive coke was substantially smaller than in either the preceding week or the corresponding week of 1926. Petroleum production again receded from the preceding week, but was still well above the output of a year earlier. Wheat receipts at primary markets were substantially larger than last year, while receipts of cattle and hogs showed declines from a year ago.

Weekly Business Indicators

Relative numbers, average 1923-25—100

	1927 Sept. 17	1926 Sept. 18
Bituminous-coal production	99.0	117.5
Lumber production	105.5	104.5
Beehive-coke production	41.2	80.0
Petroleum produc. (daily aver.)	119.8	104.3
Freight-car loadings	....	123.8
Building contracts (27 states)	129.0	140.5
Wheat receipts	250.6	147.6
Cotton receipts	174.6	195.4
Cattle receipts	101.9	132.0
Hog receipts	52.2	63.2
Price No. 2 wheat	92.3	96.5
Price cotton middling	78.3	62.9
Price iron and steel composite	87.6	91.3
Fisher's price index	93.1	95.4
Banks loans and discounts total)	118.8	114.5
Debits to individual accounts	122.1	115.6
Interest rates, call money	87.9	121.2
Business failures	99.8	80.3
Stock prices	186.5	138.8
Bond prices	109.4	106.1
Interest rates, time money	102.9	111.4
Federal reserve ratio	99.0	92.4

Slower Grain Movement Interferes with Car Loadings

It will be found that though September car loadings of revenue freight are below those of 1926, they are considerably larger than in preceding years.

During the 38th week of the current year, 74,856 cars were loaded, as compared with 70,483 in the preceding week and with 75,961 in the corresponding period of 1926. This decline from last year is wholly due to the fact that the movement of grain got under way much earlier in 1926. As regards the movement of other commodities is concerned, the remarkable showing made in earlier months is being continued without a break.

Of the eleven classes of revenue car loadings, six show a heavier movement this year than last. Three report little change, while the other two are lower. Pulp and paper and grain and grain products are the latter two items. In the past few weeks pulp and paper loadings have been increasing steadily and by the end of the year the loss in loadings should be wholly recovered. As far as the movement of grain is concerned, much depends upon export demand and the ability of the farmers to make delivery to the railways before the close of navigation.

Enlarge Chick Hatchery

At a recent meeting of the Maritime Egg Exchange, a decision was arrived at to instal another unit in the chick hatchery at Saint John, thereby increasing the output of chicks from 20,000 to 40,000 or more. The new plant will be ready for next spring.

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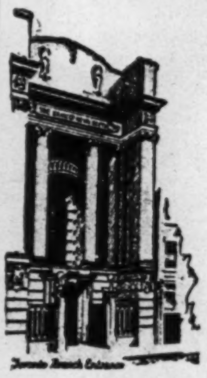

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Why American Factories Come to Canada

There Are 1,400 with Branches in Canada — This Article Tells What Brought Them Here

An Article in Nation's Business, Official Magazine of the Chambers of Commerce of the United States.

By FLOYD S. CHALMERS.
Managing Editor, The Financial Post.

Every "Go-Get-a-Factory" Campaign in Canada includes an appeal to United States manufacturers. There is hardly an American industry that has sold one pound or one yard of its product in Canada which has not been "campaigned" by some city, bank, Chamber of Commerce or publication in Canada to build a factory north of the Great Lakes.

Somewhere in the neighborhood of 1,400 American manufacturing concerns have established branch factories in Canada. Most of these were established during the war and immediately after. No less than 200 were established in one year alone—1919.

A Period of Expansion

That was not a period of business normalcy for Uncle Sam. American industry had expansive ideas between, say 1917 and 1920, and many corporations had much money to spend and good reasons (high taxation, for one) to spend it.

Are Canada's 1,400 branch plants its lucky share of the plums that fell from the easy money tree? Or were they logical, sound extensions of the producing equipment of American industry?

Good times, easy money and big ideas did put many of those plants across the border. But sound economics is keeping them there and leading from time to time, to the establishment of others.

Canada Similar to United States

Economically and socially, Canada may be considered as a northward extension of the United States." The government official in Washington who wrote that in a published bulletin of the United States Department of Commerce started a furore of protest in Canadian papers. But looking at the question as he was looking at it when he penned the sentence, it is correct.

Three billions of Uncle Sam's money in Canada attests the economic penetration by American citizens; magazines, movies, styles, and purchases of $600,000,000 yearly of American merchandise indicate some social influence upon Jack Canuck.

These 1,400 branch factories represent a phase of that economic penetration.

But it is significant that few of these factories have been built in the past five years. Here is a story of one factory built just when the wave of branch plant construction was receding:

One Factory That Shut Down

Five years ago, two and a half million dollars was spent in the city of Hamilton, Ont., to build a modern factory to manufacture glass under the Libbey-Owens patents. While most of the capital was supplied by Canadians, the plant was virtually the Canadian plant of the Libbey-Owens Sheet Glass Company of Kankakee, Ohio. After operating a few months, the factory shut down. Every employee was dismissed, the doors and windows were nailed up and the plant has remained idle ever since.

The hand that nailed up the factory was the hand of currency depreciation. The Belgians were able to beat the Canadian factory in the Canadian market.

Canadians are disquieted by incidents like this. For years they have tried to convince American business men of the advantages of doing in Canada their manufacturing for the Canadian market and for the whole British market as well—a market that comprises 450,000,000 people.

The Libbey-Owens experience and the slowing up of construction of similar factories raises, as a very live question: "Is it profitable for an American manufacturer to manufacture in a Canadian plant?"

Reasons for Canadian Branches

Practically all who have established Canadian plants say that it is.

Everett R. Smith, of the Fuller Brush Company, told me: "Yes, we have to make our brushes in Canada for the Canadian market. We can not climb over a 35 per cent. tariff wall."

R. L. Wright, vice-president of the Wahl Company, thinks branch plants are necessary and advisable when the Canadian tariff is unduly hostile or where export trade to the British Dominions is sought.

Henry Ford and his Canadian associates have $30,000,000 invested in Canada. International Harvester employs 3,500 people in Canada.

General Motors Expansion

General Motors Corporation shows its opinion by spending up to a million each year in addition to their enormous Oshawa, Ont., plant where are manufactured automobiles not only for Canada but for a dozen or more British countries.

In that last sentence you find the compelling reason, the final determining factor, why many American manufacturers have built Canadian plants. It is the system of preferential tariffs that is being built up in the British Empire.

Says Thomas A. Russell, president of the Willys-Overland organization in Canada: "I do not believe a United States company would invest in a Canadian plant to-day for the purely Canadian demand; but the advantage of export to British preferential countries would be an important determining factor in their decision to come to Canada."

On the other hand, we have an opposing view from a man who has probably done more than any other single individual to induce American manufacturers to build branch plants in Canada. He is F. Maclure Sclanders, now commissioner of the Saint John, N. B., Board of Trade, but formerly commissioner of the Border Chamber of Commerce during the period when the Canadian border cities opposite Detroit induced some scores of American companies to open manufacturing or assembly plants in this community.

British Preferential Tariffs

Mr. Sclanders is as emphatic as Mr. Russell on the other side of the question. I asked him:

"Do our British preferentials constitute an impelling inducement for the establishment of United States plants in this side?"

"Flatly and absolutely they do nothing of the kind," was his reply. "In most cases the lower cost of production in the United States more than offsets the present British preferentials granted to commodities manufactured in or exported from Canada."

Now how can such divergent views arise? What is the truth of the question regarding the British preferential tariffs and the American manufacturer.

It is easy for me, after having looked into this question from many angles, to see where the apparent conflict of opinion arises. Mr. Russell is looking at this question from the viewpoint of his industry, the automobile industry; Mr. Sclanders is thinking of the industry of manufacturing as a whole. The situation regarding the British preferential tariff is simply this:

Depends on Circumstances

In a few restricted fields of manufacture, including those of automobiles, tires and electrical apparatus the preferences granted by the different countries in the British Empire are extensive enough to be a very important factor; sufficient to be the winning argument with the American manufacturer when he is debating whether or not he should export to British countries from his American factory or erect an additional smaller factory in Canada to supply the Canadian market and from which to export to other British markets. But in the case of the great mass of manufactured articles, the sum total of the benefit to Canada from British preferences is so small as not to be sufficient to offset the economies that can be effected from mass production in a gigantic American factory.

Individual Studies Needed

Thus it becomes necessary for each American manufacturer, considering the advisability of establishing an export branch plant in Canada, to examine the existing British preferences on his own commodity and weigh their value in relation to his production costs. Every manufacturer does not do this. One large manufacturer of electrical refrigeration machinery opened a Canadian plant recently. When it did so it handed the whole British market over to the Canadian plant. That market in a short space of time, has proven to be enormously valuable to the Canadian plant. One order alone from a London, England, contractor amounted to 2,500 machines. Yet subsequent studies have revealed that the British preferential tariffs throughout the Empire are of very little benefit to the Canadian plant; cannot at all be regarded as a final point upon which to base a decision.

"Buy British Goods"

The executives of the company had two things in mind when they gave the British market to the Canadian subsidiary company. First they recognized the strong tendency of the Britisher to buy Empire-made goods. This tendency is being fostered by the expenditure of $5,000,000 yearly in Great Britain alone by the Empire Marketing Board and by the publicity work of other countries in the Empire. And, secondly, they were looking forward to the day when greater economic solidarity will have been achieved in the empire.

The American manufacturer will be wise to watch this growing tendency to Imperial economic solidarity among the British. The idea of free trade among the constituent parts of the British Empire, with high tariff walls against the outside world (Continental Europe and the United States, chiefly), has many advocates.

It is a rather far-reaching theory for early acceptance, but a middle ground is rapidly being reached. Canada and Australia, after years of disagreement, have entered into a mutual trade agreement that has already put some American products out of the Australian market and put in their place Canadian products or the products of Canadian branch plants of American companies. The British West Indies and Canada have just signed a trade treaty.

England Swings to Protection

England is swinging around to the practice of protection. The recent Churchill budget took a few more items off the free list and swelled the total of articles that can no longer enter England duty free. In each case a preference of one-third was given to Canadian products. Year by year the total of dutiable articles grows and always there is that one-third reduction in the duties for goods coming from countries in the Empire.

While many people are ready to face the immediate truth that Imperial preferences do not constitute a compelling reason why every class of American manufacturer must manufacture in Canada to capture All-Red trade, the American industrialist has to consider that year by year the situation is changing and if present tendencies continue line after line will be added to the list of those that can be better manufactured in Canada for Canadian and Empire trade than in the United States.

There is the big factor in the present situation; the factor that American business men have to consider.

All American branch plants in Canada do not manufacture their finished product completely from raw material to salable article. Many of them are merely assembly plants; a sore point with some of the British Dominions, who have protested that when they grant preferences to Canadian firms they are merely granting preferences to Americans in disguise.

Assembly Plants Popular

There will always continue to be assembly plants across the line. Consider the manufacturer of electrical refrigeration machinery, for instance; he can afford to make cabinets in Canada; cooling coils, piping, wiring, etc., can be profitably made there. But his market, taking both Canada and the British Empire together, is as yet too small to make it profitable for him to attempt to manufacture the highly intricate refrigerating unit there. He can best bring the individual parts over from the United States and put them together in Canada.

Similarly with automobiles; speedometers, engines and a dozen and one specialized parts of that nature will, for many years, continue to be made in large measure in the States and merely assembled with the other units in Canadian assembly plants. Only one automobile engine—the Ford—is now manufactured entirely in Canada although there are eleven automobile manufacturers; ten of them branch plants of American companies.

Of course, Canada and the other British countries are doing their best to hold to the minimum this tendency to assemble only. Some British countries require that 75 per cent. of the work done must be British to share the preference. The standard varies throughout the Empire. Canada itself now requires that 50 per cent. of the cost of the finished automobile must represent Canadian effort before certain important drawbacks of customs duty can be obtained. The immediate result of the recent coming into force of this provision was the reopening by General Motors of its large parts plant in Walkerville, Ontario, that had been closed for several years, and the expenditure by General Motors of half a million dollars on a new factory at Oshawa.

Our discussion finally brings us down to this statement of fact; it is already prfitable for American manufacturers in many lines to manufacture in Canada; it is becoming increasingly profitable daily for manufacturers of scores of other lines to do the same thing.

Canadian Market Growing

I have so far in this article talked almost entirely about the British Empire market because this is the most significant and interesting phase of the question. But the Canadian market itself is an important factor removed entirely from its contact with other British markets.

Canada has more than nine million people to-day, people with standards of living just as high as those of the American people; with tastes that are similar to American tastes; people who read American magazines (too many, some Canadians think); who see American movies almost entirely; who visit American cities regularly; who have relatives all over the United States (for there are some 2,000,000 Canadians living under the Stars and Stripes), and who are growing in wealth almost as rapidly as the American people.

If the American manufacturer is going to sell in Canada he cannot do it better than by setting up in Canada an organization that is, on a smaller scale, a duplicate of his American sales organization. That means a factory, a sales organization, Canadian workmen and salesmen, at least a few Canadian executives who know the field; perhaps, even a Canadian advertising agency. This is not pure theory; this is a story of how the American manufacturers who have been most successful in Canada, have gone about their job in building Canadian trade.

He may even raise part of the capital for his Canadian plant in Canada. Companies like Kelvinator of Canada, Goodyear Tire, Dominion Rubber (U. S. Rubber subsidiary), Canadian Fairbanks-Morse, Canadian General Electric, Durant of Canada, Sherwin-Williams, have all sold securities of their Canadian companies in Canada.

Investing Power Grows

Canada is now a large investing nation, even though it is still drawing immense amounts of American and British capital for investment.

It welcomes the opportunity of investment in branch plant organizations and when the Canadian owns stock in one of these industries he views it as a Canadian industry even though control may rest in the United States.

The Canadian welcomes the economic penetration of Americans. The fact that Americans have $3,100,000,000 invested in his country, representing a mortgage of 12 per cent. on the total national wealth of the country, gives him no concern whatever. Even if the American manufacturer establishes his plant in Canada without the investment of a single dollar of Canadian capital he is assured of welcome.

But the Canadian investment interest,

(Continued on page 14)

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Therefore, do not blame "conditions" for non-success, but remember that personal incompetence (in which may be included neglect of reasonable safeguards) has been the principal factor in business failures.

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ALBERTA GRAIN IS STRONG WITH NEWS OF CROPS

Company is Expected to do Much Better in Current Year

Alberta Pacific Grain common has ascended to new high levels in the last week on the assumption that the company will have an excellent year because of the big crop on the prairies and the increased facilities of the company for handling grain. James Stewart is president of the company and his name carries a certain prestige in the grain business. Fred W. Riddell, of Calgary, is actively in control of the company.

According to authentic information which comes to hand, the earnings of the company in the current year will be much in excess of the earnings for the year ended June 30, when $3.50 was shown as applicable to dividends on the common stock.

Alberta grain growers are expected to have an excellent crop. This will send a great deal of the grain through the port of Vancouver. Alberta Pacific Grain Co. has leased Government Elevator No. 1, at Vancouver. This is the larger and more efficient of the two government elevators at that port.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Oct. 5	122.2	114.1
Week of Sept. 28	118.6	112.1
Month of Oct. 1926	92.7	87.5
9 Bank Stocks		
Week of Oct. 5	$286	$280
Week of Sept. 28	290	282
Month of Oct. 1926	225	222
10 Public Utilities		
Week of Oct. 5	$109	$105
Week of Sept. 28	108	104
Month of Oct. 1926	89	83

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	4	5	..	9
Paper	13	..	2	15
Steel	14	8	15	37
Foodstuffs	19	10	16	45
Utilities	7	10	15	32
Tractions	8	2	5	15
Textiles	7	1	9	17
Industrials	22	17	31	70
Total	94	53	93	240

New Brokerage Partner

Announcement is made by Farrell, Seely and Company, members of the Montreal Stock Exchange and of the Montreal Curb Market of the admission into partnership of C. A. Borrie. Mr. Borrie joined this firm in 1913, since which time he has been actively associated with its activities. Prior to 1919 he was connected with the Davis and Lawrence Company. Since the organization of the Montreal Curb Market he has represented his firm on the floor of that exchange. The firm hereafter will be made up of the following partners: D. B. Seely, John Fairlie and C. A. Borrie.

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MANY INVESTORS BUY COMMON OF CHRISTIE BROWN

Biscuit Company Continues To Strengthen Excellent Position

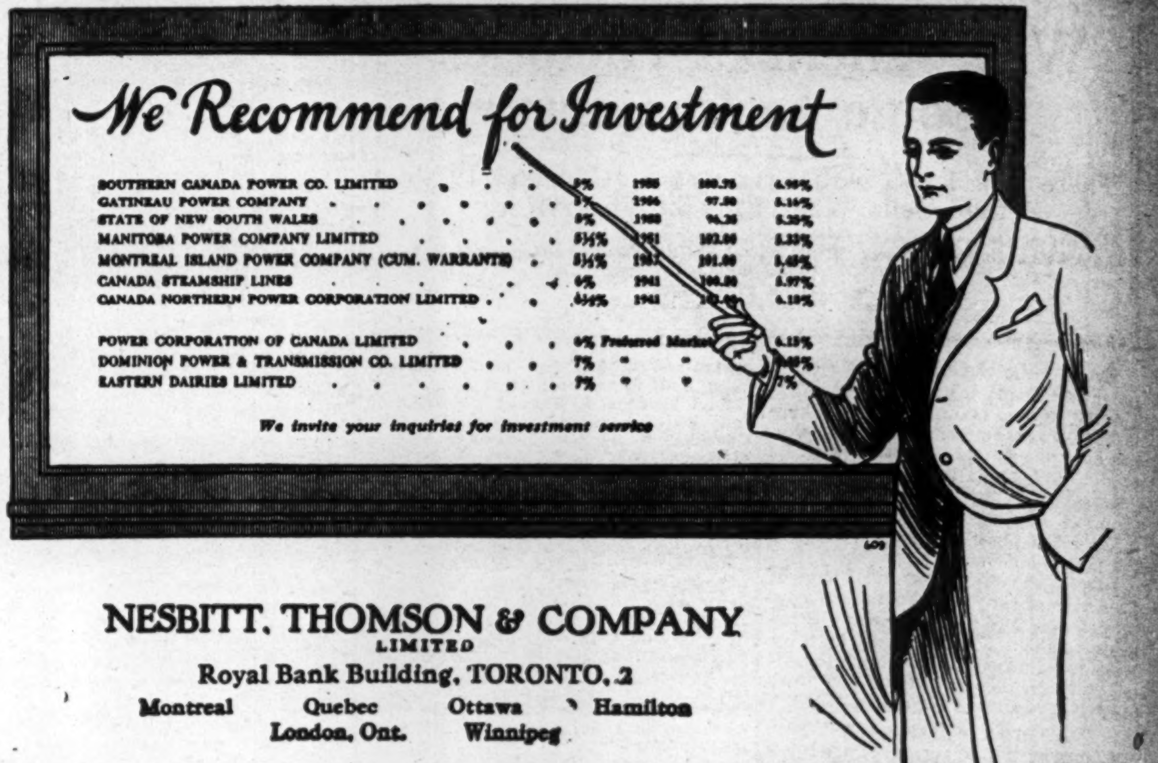
A Canadian stock which is being accumulated for investment purposes is the common of Christie, Brown & Co. At $60 the share, the current income from this stock is 2 per cent., but the buyers evidently are firmly convinced that patience will be rewarded.

The company has been retiring its bonds rapidly, there being only $450,000 now outstanding, although the issue of $1,000,000 was made only a little more than two years ago. Profits have been growing rapidly, yet the company is conservative in its accounting, and nothing will show as profit account which cannot be legitimately so considered.

Preferred Off Market

The preferred shares of the company are now virtually off the market. The balance sheet shows that a large number of these shares have been converted into common, presumably by persons who bought at lower figures and were content with the substantial profit available when the common shares rose from the 40's to the 60's. Those who continue to hold the preferred shares probably are holding them as premier industrial investment, and with a view to conversion only when dividends on the common bring the return on the investment to a higher figure than is obtained at present on the capital employed.

No one will hazard a guess as to when all the bonds will be retired, but at the present rate of retirement, the last of these will be extinguished in less than two years. The issue originally was for ten years.



We Recommend for Investment

SOUTHERN CANADA POWER CO. LIMITED	5%	1955	100.75	4.96%
GATINEAU POWER COMPANY	[illegible]	1956	97.50	5.16%
STATE OF NEW SOUTH WALES	5%	1958	96.25	5.25%
MANITOBA POWER COMPANY LIMITED	5½%	1951	102.00	5.33%
MONTREAL ISLAND POWER COMPANY (CUM. WARRANTS)	5½%	[illegible]	101.00	5.45%
CANADA STEAMSHIP LINES	6%	1941	100.00	5.97%
CANADA NORTHERN POWER CORPORATION LIMITED	6½%	1941	[illegible]	6.10%
POWER CORPORATION OF CANADA LIMITED	6% Preferred Market			6.15%
DOMINION POWER & TRANSMISSION CO. LIMITED	7%	"	"	[illegible]
EASTERN DAIRIES LIMITED	7%	"	"	7%

We invite your inquiries for investment service

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LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton
London, Ont. Winnipeg

BAKERIES DEAL MAY BE STILL MUCH IN ETHER

Ogilvie or Maple Leaf Believed to be Concerned with Northern

Certain plans looking to a merger of several of the largest bakeries in Canada have not materialized so far. The interests concerned are known to be negotiating, but an opinion has been expressed which doubts the possibility of anything of major importance in the industry or the stock market taking place in the immediate future.

The exact nature of various proposals has not been revealed. But it will not be surprising if something eventuates within a few days along the lines of one or other of the reports which have been circulated within the last two weeks.

It is known that Ogilvie Flour Mills were negotiating for Northern Bakeries last May just before the present group acquired control from Continental Baking Co. It was at first stated that the negotiations pending were between Ogilvie and the group which now controls Northern Bakeries, but reports have been more persistent in connecting Maple Leaf Milling and Canada Bread with the possible sale.

Vancouver Trade Heavy

Ninetey-nine deep sea vessels of 327,918 net tons came into Vancouver last month and 91 ships of 475,948 net tons went out—this being the largest month of the present year in point of arrivals. Exports from Vancouver have risen in five years from $68,000,000 to $149,000,000.

ADDITIONAL ISSUE

$1,664,500

Fraser Companies, Limited

6% First Mortgage Sinking Fund Gold Bonds, Series "A"

Dated January 1st, 1925. Maturing January 1st, 1950. Principal and semi-annual interest payable at The Royal Bank of Canada, Montreal, Toronto, Winnipeg, Vancouver, Halifax or Saint John, or, at the option of the holder, at the Agency of The Royal Bank of Canada, New York, in United States gold coin or its equivalent, or at The Royal Bank of Canada, London, England, at the rate of $4.86 2/3 to £1 Sterling. Coupon Bonds of $1,000 and $500 denominations, with privilege of registration as to principal only. Callable as a whole or in part, on due notice, on any interest date at the option of the Company, at the following prices and accrued interest: at 106 to January 1st, 1930; at 105 thereafter until January 1st, 1935; at 104 thereafter until January 1st, 1940; at 103 thereafter until January 1st, 1945, and at 101 thereafter and before maturity. Trustee: Montreal Trust Company, Montreal.

CAPITALIZATION
(On completion of this financing)

	Authorized	Outstanding
6% First Mortgage Sinking Fund Gold Bonds	$10,000,000	$7,664,500
6½% 15-Year Gold Debentures	6,000,000	5,000,000
7% Cumulative Redeemable Convertible Preferred Shares	3,000,000	2,325,000
Common Shares, no par value	312,000 shs.	300,000 shs.

The following information has been furnished by Mr. Archibald Fraser, President of Fraser Companies, Limited:—

Fraser Companies, Limited, which, with its predecessors, has been in successful operation for fifty years, is one of the largest Canadian manufacturers of bleached and easy bleaching sulphite pulp, and through its wholly owned subsidiary, Fraser Paper, Limited, is an important producer of high-grade sulphite papers. It is also one of the leading manufacturers of lumber in Eastern Canada.

The Company is constructing extensive additions to its principal plant at Edmundston, N.B., and to that of its subsidiary, Fraser Paper, Limited, at Madawaska, Me., which will have the effect of approximately doubling its present production of finished high-grade sulphite paper and pulp products. Upon completion during 1928 of this construction and the installation of additional paper machines, the Company, with its subsidiary, will have a capacity for sale of approximately 130,000 tons per annum of high-grade sulphite paper and pulp products. Power for the operation of additional units being installed at Edmundston will be obtained under long-term contract, over the Company's own transmission line from Grand Falls, N.B.

The Company controls, directly and through wholly-owned subsidiaries, valuable timber areas in the Provinces of Quebec and New Brunswick, aggregating 4,547 square miles and estimated to contain over 11,000,000 cords of pulpwood and 4,000,000,000 feet b.m. of spruce, pine and cedar logs; and saw mills with an annual manufacturing capacity of over 200,000,000 feet b.m. of spruce lumber, in addition to a large production of shingles, laths and railway ties.

Bonds totalling $1,664,500, now being issued, will rank equally with $6,000,000 of First Mortgage Bonds presently outstanding, and will be secured by first mortgage and charge on all fixed assets of the Company now owned or hereafter acquired, and by a floating charge on all other assets. Included in the security specifically pledged are $2,500,000 6% First Mortgage Bonds and all the issued Capital Stock (less directors' qualifying shares) of Fraser Paper, Limited. Trust Deed provides for an annual cumulative sinking fund of 2% from December 1st, 1927, until 1931, inclusive, and of 2½% thereafter for redemption of First Mortgage Bonds.

The proceeds of these Bonds will be applied toward payment for the additional construction and installations above referred to—the balance of the cost of these additions being provided out of the proceeds of the issue of $5,000,000 of 6½% 15-Year Gold Debentures ranking junior to these Bonds—and for the general corporate purposes of the Company.

Plants, properties, timber limits and other fixed assets owned by the Company and by Fraser Paper, Limited, according to consolidated balance sheet adjusted to include the proceeds of the issue of additional bonds and debentures, but after deducting depreciation and depletion reserves of $4,492,017 and excluding advances to and investments in certain subsidiaries amounting to $1,958,503, had a book value, as at July 31st, 1927, of $19,013,085, and net current assets had a book value of $4,337,471—making a total of consolidated fixed and net current assets of $23,350,556, equivalent to $3,046 per $1,000 Bond to be outstanding.

Annual earnings, after deducting operating and maintenance expenses, local taxes and bank interest, but before depreciation and depletion, and available for Bond interest, were:—

Average for 4 Years ended December 31st, 1926	$1,182,433*
12 Months ended December 31st, 1926	1,441,935*

*Including Fraser Paper, Limited, for the year 1926 only.

Earnings on the same basis for the 7 months ended July 31st, 1927, as certified by Messrs. George A. Touche & Co., were $848,443. It is estimated by the Company that earnings for the year ending December 31st, 1927, before depreciation and depletion, will be not less than $1,500,000, equivalent to over three times annual interest charges of $459,870 on total First Mortgage Bonds presently to be outstanding. This estimate does not take into consideration any profits from the increase of approximately 100% in the production of finished paper and pulp products which the Company will have for sale on completion of present construction, the first producing unit of which it is anticipated will be in operation by January, 1928.

Price: 102 and accrued interest, to yield over 5.80%

ROYAL SECURITIES CORPORATION LIMITED
WOOD, GUNDY & COMPANY LIMITED

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

BRAZILIAN AGAIN ACHIEVES HIGH POINT IN MART

Split Believed to be in the Offing, but News is Lacking

Brazilian common has ascended to 210 on the Canadian market. And still there is no news of a split in the stock. It is believed to be forthcoming, but officials of the company are non-committal. A split would presage an increase in dividend. If four shares are issued for each share now outstanding, a dividend of $2 the share would be expected. This would be an increase of $2 over the present dividend of 6 per cent. And it would make profitable conversion of the preferred stock into common.

Brazilian preferred is among the highest grades of investment stocks which is accompanied by opportunities for appreciation. Brazilian, the holding company, has no funded debt, so that the preferred is a prior charge on assets, exclusive of assets pledged as security for bonds issued by subsidiary companies. The subsidiary companies have issued no new bonds since before the war and immense sums have been put back into the property from earnings, so that, with the operation of sinking funds, the security for the preferred is growing rapidly.

Assets Are Big

There is only $10,000,000 of issued preferred, while the consolidated balance sheet shows properties, plant and equipment worth $140,700,000, other tangibles worth $69,900,000 and total assets of $286,100,000.

There have been no conversions of preferred stock for the reason that, until the dividend on the common is increased to above 7 per cent., the yield on the preferred is better.

Six shares of preferred are convertible into five shares of common. Thus a holder now is getting $36 dividend on six preferred shares and would get only $30 if he converted his holdings into five common shares. Brazilian never has paid more than 6 per cent. on the common.

The trading in the preferred shares is inactive but the price naturally has followed the common upward. On the basis of $210 the share for the common, the preferred would be worth $175.

Return Is Low

Brazilian continues to show a remarkable buoyancy in the Canadian market and there are frequent predictions of sustained substantial levels. The company is considered to be one of the most attractive utilities anywhere in the world and it is conceivable that over a term of years present apparently high prices will seem comparatively moderate. However, the investor who ventures into the market around existing levels will probably have to be content with a very moderate yield on his money for a number of years.

The company's earnings are increasing steadily, the country in which its properties are is prosperous and political and economic stability apparently has been established. The general market is good, but there are indications of nervousness in New York, if not in Canada, and it is possible that, within a short time, a reaction will set in across the line which will be comparable to the recessions of the early part of 1926. In such an event, the Canadian market will be sympathetically affected to a greater or less extent.

As mentioned in the foregoing, Brazilian since the war has taken huge sums from earnings and put them back into property, plant and equipment. The total of these expenditures perhaps delayed the time when dividends on the common could be resumed but, in the course of time, the return will be greater to the shareholders. The company in the last twelve or eighteen months has begun to reap the benefit of the capital expenditures and the shareholders now are in position to reap the benefit of the policy of using earnings for expansion.

Stock Market Record

WEEK ENDING OCTOBER 4

	Div. Rate	Yield Oct. 3	High for wk.	Low for wk.	Close Oct. 4	Close Sept. 27	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	4.65	281	272	280	281	292	295	228
Dominion	12+1	4.90	268	265	265	270	212	275	217
Can. Nationale	10	5.07	197	195	195	197	18	198	160½
Imperial	12+1	5.20	250	240	250	240	557	256	214
Montreal	12+2	4.12	340½	338	340	340½	341	355½	272
Nova Scotia	16	4.19	383	379	382	379½	253	399	298
Royal	12+2	4.35	323	315	323	316	1434	344	257
Standard	12	4.80	250	245	250	246	489	250	196
Toronto	12	4.31	280	275	275	280	141	287	227
Paper—									
Abitibi, com. (no par)	5	3.94	128	111	123½	110⅝	18563	128	82
Do. pref.	7	5.60	125	125	125	116⅛	20	125	113
Belgo-Can., pref.	7	6.76	103½	102¾	103	103	205	105¼	101
Brompton (no par)	$2	4.08	49	40½	47	40¼	8982	49	31
Fraser, pref.	7	6.73	104½	104	104	103	90	104½	96
Inter. Paper, c. (no par)	$2.40	3.93	61⅞	56½	58½	56¼	68300	61⅞	39½
Do. pref.	7	7.03	..	...	...	...	...	99⅞	99½
Laurentide	6	5.47	109⅝	104	105	104⅞	16233	110¾	90
Price Bros., com.	2	2.77	75½	61⅛	69	62	3130	75½	51¼
Do. pref.	6½	6.25	104	104	104	103¼	90	104½	100
Smith, Howard, com.	.	...	75	68	74	67	1690	75	59
Do. pref.	8	6.89	116	114	115	112	40	116	103½
Span. River, com.	7	6.48	109	104	107	104	7569	109	97½
Do. pref.	7	5.90	120	118	120	117	135	121	110¼
Wayagamack (no par)	$3	3.57	84	83	83	81	1225	84½	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	...	...	...	...	...	1⅝	½
Do. 1st pref.	.	...	17⅝	17½	17⅝	18½	45	29¼	10
Do. 2nd pref.	.	...	1¼	1¼	1¼	1¼	5	4	1
Can. Car & Found., com.	.	...	45	39	45	39	2380	50¼	35
Do. pref.	7	7.95	91	87	91	86	805	94½	85½
Can. Fairbanks, pref.	6	5.88	..	...	...	...	...	102	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	18
Do. pref.	x1½	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	54	54	54	57	10	60	49
Do. pref. (par $50)	7	5.93	59	58	58⅞	58½	318	61	55
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	6.89	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	40	40	40	40	25	48	25
Do. pref.	7	8.53	82	82	82	80	12	89	79
Dominion Bridge	4+4	2.88	275	260½	272	259	15163	277	116¾
Dominion Coal	.	...	..	...	...	...	...	85	69
Dom. Iron, pref.	.	...	..	...	...	...	...	5	1½
Dom. Steel Corp., pref.	.	...	32	32	32	30½	5	32½	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, c. (no par)	.	...	6½	5¼	5¼	6½	30	15	5¼
Do. pref.	7	9.33	79	75	75	79	45	95	65
Massey-Harris, c. (no par)	.	...	39	36½	38	37¼	19101	42¾	29
Do. pref.	7	6.45	108½	107¾	108½	108	279	109¾	103½
McKin. Ind., c. (no par)	.	...	24½	23½	24	23	120	25½	15
Do. pref.	7	7.25	96½	96	96½	95¼	40	97	93¼
Do. Vot. Trust	.	...	25	23½	24½	24	1040	26¾	15
Ontario Steel, com.	6	5.43	110½	110½	110½	108	10	110½	73
Do. pref.	7	6.66	..	...	...	...	...	105	100
Page Hersey, c. (no par)	$3	3.57	85	82	82	84¼	2150	90	55½
Do. pref.	7	4.19	169	163	163	168	113	180	116
Pressed Metals, com.	3	5.21	57½	50½	53	50	238	57½	34¼
Do. pref.	7	7.36	95	93	95	93	75	95	85
Russell Motor, com.	3	5.76	..	...	...	...	...	60	52
Do. pref.	7	7.14	98	97	98	98	12	99	90⅛
Steel of Canada, com.	7	3.94	186	171	173½	184	6125	222	117
Do. pref.	7	4.16	180	165	168	170	367	205	127
Milling and Foodstuffs—									
Alta. Pac. Gr., c. (no par)	.	...	43½	34¼	43¼	33½	8829	43½	19½
Do. pref.	7	7.44	94	92	93½	92	630	94	85
Arnolds, c. (no par)	.	...	14½	12⅛	14½	14½	3160	26	10½
Do. pref.	.	...	..	...	...	...	...	95	81
Atlantic Sug., c. (no par)	.	...	26½	24½	25	25	3138	32	21¾
Do. pref.	.	...	89½	89½	89½	90	50	101¼	89½
B.C. Fishing, c. (no par)	$1.25	8.33	16	13½	15½	14	2870	22	12¼
Do. pref.	7	9.33	75	72⅝	75	74	595	90	72⅝
Can. Bak., c. (no par)	.	...	42⅛	38	38	36	530	42½	26
Do. pref.	7	6.82	102½	101	102½	101	14	102½	97
Can. Bread, c. (no par)	$6	3.50	172	162	171	160	580	172	90
Do. pref. (A)	7	5.73	122	122	122	122	5	125	108½
Do. pref. (B)	7	6.25	112	111	111	112	104	115	103
Can. Canners, com.	.	...	68	65	66½	65	1164	68	21
Do. pref.	5	4.76	105	101½	103½	103½	3112	105	76
Canadian Salt	8	5.71	..	...	...	...	...	140	123
Christie Br., c. (no par)	$1.20	2.00	63½	60	63½	50	415	66	38
City Dairy, c. (par $25)	3+1	2.58	157	154	155	155	815	165	79
Do. pref.	7	5.73	..	...	...	...	...	123	112
Cuban Can. Sugar, c.	.	...	..	...	...	...	...	5	1¼
Do. pref.	.	...	28	27½	28	29	67	37	26
Wm. Davies (A) (no par)	.	...	43½	42	42	42⅛	385	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	20	9
Dominion Stores (no par)	$2.40	2.44	99¾	82	94½	81	9197	99¾	65
Ham. Dairies, c. (no par)	.	...	39	38	38	39	259	39	24
Do. pref.	7	7.07	99	98	99	98	63	99	95¼
Inter. Milling, pref.	7	6.46	108¼	108¼	108¼	108¼	33	108¼	104
Lake of Woods, c.	12	7.84	153	150	150	152	217	160	130
Do. pref.	7	6.08	..	...	...	...	...	118	110
Loblaw, com. (no par)	$1	1.56	64	63	63	64	160	65	48
Do. pref.	7	5.73	122	119	122	122	90	123	107
Maple Leaf Mill., c.	.	...	102	95	100	100	993	102	49
Do. pref.	7	7.07	101	98	98	99½	48	101¼	94
Ogilvie Fl., c. (no par)	$5+10	4.29	360	310	360	310	517	360	205
Do. pref.	7	5.69	123	122	123	125	19	126	120¼
Pure Gold Mfg. (no par)	$1.50	7.14	21¼	21¼	21¼	21½	57	22	19⅛
Shred. Wheat, c. (no par)	$3	4.24	71	68½	70	69⅞	1350	71¼	55
St. Law. Flour, c.	.	...	27½	26	27½	26	120	31½	25
Do. pref.	7	8.80	79½	79½	79½	79½	25	85	79½
Viau Biscuits, c. (no par)	.	...	..	...	...	...	...	26	16
Do. pref.	7	7.95	88	88	88	86	6	92½	83½
W. Can. Fl., c. (no par)	$1.40	4.83	30	27½	29	28	435	30	22
Do. pref.	6½	6.31	103¼	102½	103⅛	102	97	106	100
W. Groc., c. (no par)	$1	5.55	19	18½	18½	17	10	29	13
Do. pref.	7	9.09	..	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.33	150	147	150	150	623	158½	137
Do. Rts.	.	...	9	8	8½	9	4757	10½	8
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.37	186	185¼	186	186	493	186	171½
East Koot. Pr. (no par)	.	...	..	...	...	...	...	29¼	25
Do. pref.	7	7.23	..	...	...	...	...	98½	95
Int. Util. (A) (no par)	$3.50	8.33	42¼	40¾	41⅛	42	1375	46	28
Do. (B) (no par)	.	...	..	...	...	...	...	7⅝	4½
Jam. Pub. Ser., pref.	7	6.66	105	105	105	105	10	105	97
Laurentide Power	5	3.67	144	130	144	129½	202	144	105
Mackay, com.	7	5.82	120¼	120	120¼	120	55	132	108
Do. pref.	4	5.73	70	69	69¾	70	182	74	67
Mexican Light, c.	.	...	..	...	...	...	...	52	27
Do. pref.	.	...	76	76	76	75¼	70	120	67
Mont. L H & P (no par)	$2	2.17	93	90⅝	91	92	10628	96¾	68⅛
Montreal Teleg. (par $40)	8	5.20	51¼	51¼	51¼	52	36	52	49
Nor. Mexico Pr., c.	4	5.19	78	76½	77	78¾	250	83	42
Do. pref.	7	7.25	..	...	...	...	...	96½	82½
Ot. & Hull Pr., c. (no par)	.	...	..	...	...	...	...	30	26
Do. pref.	7	7.21	..	...	...	...	...	100	96
Ott. L. H. & Pr., c.	6	4.68	128	125½	128	121	113	128	98½
Do. pref.	6½	6.23	..	...	...	...	...	107½	102
Quebec Power	.	...	76½	75	75	76¼	8508	79	72
Shawinigan (no par)	$2	2.26	91	85¼	86	90¾	7088	94¾	67
Do. Rts.	.	...	3¾	3	3¼	3½	13699	4	3
So. Can. Pr., c. (no par)	$3	2.74	109¾	109¾	109¾	109½	56	109¾	85
Do. pref.	6	5.60	107	105	105	106	39	107	99½
Transportation—									
Can. Pac. Rly.	10	4.97	200	188	200	184	550	201	166
Do. Rts.	.	...	4¼	3⅛	4¼	3½	6306	4⅞	3
Can. Steam, c. (no par)	.	...	35	34	35	35	455	42	34
Do. pref.	6	6.63	90	89	90	90	839	94¾	82½
Do. voting	.	...	..	...	...	...	...	37½	31
Tractions—									
Barcelona (par $50)	1	...	68⅛	67	68⅛	65	485	68⅛	33½
Brazilian, c.	6	2.88	210	196½	206¼	195½	96168	210	102½
Do. pref.	6	3.48	173½	161	172¼	160	2214	173½	104
Detroit Un. Rly.	.	...	2	2	2	2	75	5	2
Duluth-Superior	$2	8.33	24	24	24	25	160	30⅞	24
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42⅛
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.34	189	189	189	187	10	200	169
Ottawa Traction	4	6.06	67	67	67	66	10	70	64
Porto Rico Rlys., c.	$3	...	..	...	...	...	...	70⅝	59
Do. pref.	7	7.08	98¾	98¾	98¾	98½	5	100	90
Twin City, c.	4	7.84	51	50	50	51	674	66	48⅝
Do. pref.	7	6.86	..	...	...	...	...	103	100
Winnipeg Elec., c.	2	2.18	94¼	82½	92¾	82	3943	94¼	60¾
Do. pref.	7	6.48	108½	106	108½	106½	1543	108½	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	7.40	54	49	50	48	283	54	36
Can. Converters	7	7.00	100¼	100	100¼	100	290	107½	92
Can. Cotton, com.	8	6.40	..	...	...	...	...	132	115
Do. pref.	6	5.85	102½	102	102½	102½	36	102½	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	5
Do. pref.	.	...	61	60	61	60	85	63½	59¾
Cosmos Imp., c. (no par)	.	...	29	28	28⅝	28	3845	31½	13
Do. pref.	7	6.82	102½	100	102	101	71	102½	91¼
Dom. Textile, c. (no par)	$5	3.67	135⅞	129	132	127¾	4655	135⅞	105
Do. pref.	7	5.76	..	...	...	...	...	123	115¾
Monarch Knit, c.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	49
Montreal Cottons, c.	6	5.21	115	115	115	115	30	117	110
Do. pref.	7	5.93	..	...	...	...	...	118	114
Penmans, c. (no par)	$4	4.00	108	85	98	85	3355	108	70
Do. pref.	6	5.76	104	104	104	104	10	105	101
Wabasso Cotton (no par)	6	4.54	132¼	131	132	133	165	137	84
General Industrials—									
Amer. Sales, c. (par $20)	4	5.88	68	66½	68	69	173	75	60
Do. pref.	7	6.79	103	103	103	103	40	103	97½
Asbestos C., c. (no par)	.	...	37¼	29¾	36½	29¼	39813	37¼	20
Do. pref.	7	7.23	102¼	95	95	94½	2569	102¼	82¾
Brant Cd., pf. (par $25)	8	8.98	23	21	22	22	312	25	20¾
Brew. & Distil. (par $5)	5	8.92	12½	11	12½	12	3135	12½	4½
Building Products, pref.	7	7.00	100	100	100	100	10	101	93½
Burt, F. N., c. (par $25)	$3	4.41	68	65	68	65	1520	68	56½
Canada Cement, c.	6	2.45	244	243¼	243½	244	1234	245½	124½
Do. pref.	7	5.64	123	123	123	123	243	124½	116
C. Ind. Alc. (no par)	$1.28	3.28	39½	36½	38¾	39	26637	40	21¼
Can. Oil, c. (no par)	$1	3.45	31½	28¾	28¾	31½	444	33⅛	21
Do. pref.	8	6.73	118¾	118½	118¾	118½	170	121	115½
Can. Bronze, c. (no par)	.	...	58¾	51½	57	50¾	4985	58¾	43
Do. pref.	7	6.66	105	103½	105	102½	275	105	98½
Cons. Smelters (par $25)	10+5	0.97	270	238	258	242	40024	270	215
Crow's Nest Coal	6	10.90	55	55	55	54	35	71⅛	50
Dom. Glass, c.	7	5.32	133⅝	129	132½	129	2270	134⅝	104
Do. pref.	7	6.06	115½	115½	115½	115	40	115½	111¼
Dom. Rubber, pref.	7	9.33	..	...	...	...	...	75	75
E. Theat., c. (par $25)	.	...	..	...	...	...	...	30	24
Do. pref.	7	7.60	..	...	...	...	...	97	92
Famous Players, com.	.	...	40	38	40	38	140	40	20
Do. pref.	8	8.12	98½	97	98	98	250	101	93½
Gilman, com.	6	5.46	..	...	...	...	...	112	109⅞
Do. pref.	7	6.08	..	...	...	...	...	125	110
Goodyear Tire, c. (no par)	$5	5.18	96½	94	96½	97	187	98	85⅛
Do. pref.	7	6.75	104¼	102½	103¾	104½	413	109	94½
Hayes Wheel, c. (no par)	.	...	34¾	32	33	34½	1545	34¾	27¾
Do. pref.	7	7.29	96	96	96	96	26	98	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.60	..	...	...	...	...	92	85
Hunt's, Ltd., c. (no par)	.	...	27	27	27	29	15	29½	20
Do. pref.	7	7.52	..	...	...	...	...	95	90
Inter. Nickel (par $25)	$2	2.83	71¾	60⅛	70½	70½	48304	75	38
King Edward Hotel	$1	...	50½	45	47½	45	340	60	20
Lake Ont. Brew. (no par)	$2	7.70	26	25	26	26	382	31½	24
L. Secord, c. (no par)	.	...	45	43	44	44	795	47½	26
Do. pref.	7	5.12	137	134	136½	134	105	140	102
Lyall Construction	.	...	45	40	45	39½	820	45¾	32
Loew's, com.	.	...	42½	40	42½	45	7	47	38
Do. pref.	7	7.00	100	100	100	102½	1	105	96½
Muirhead's, c. (no par)	50c	...	12½	11	11	13	565	13½	8⅞
Do. pref. (par $10)	75c	5.77	13¼	13¼	13¼	13¼	170	13½	10⅞
Nat. Brew., c. (no par)	4	4.21	95	88½	90½	88¼	46367	95	65
Do. pref.	7	6.08	115	115	115	110	67	115	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	12.50	56	56	56	56	2	81	56
Pacific Burt, com.	6	5.88	..	...	...	...	...	102	87
Do. pref.	7	6.19	113	113	113	113	2	113	102
Port Hope San., com.	4	2.42	..	...	...	...	...	165	125
Do. pref.	7	6.30	..	...	...	...	...	111	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	6.93	101	101	101	100	10	102	92
Seagram (no par)	.	....	22	20¾	21¼	21½	8440	28⅞	15
Sher-Williams, com.	6	3.00	204	199	200	201½	76	207	142
Do. pref.	7	5.83	..	...	...	...	...	121	117
Standard Chem., pref.	.	...	..	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	20½	20	20	21¾	49	21¾	19
Do. pref.	7	7.86	92	89	89	92	75	92	88½
Sterling Coal	.	...	23½	22½	22½	24	150	36	22½
St. Maur. V. C., c. (no par	.	...	56½	51	56	53	1356	58	47
Do. pref.	7	7.14	98	97½	98	97	130	98	94½
Tooke Bros., c. (no par)	.	...	..	...	...	...	...	16	10
Do. pref.	7	9.72	72	72	72	71¼	5	72½	65
Tuckett Tobacco, com.	4	4.21	95	89	95	86	62	95	69
Do. pref.	7	6.30	..	...	...	...	...	111	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.33	..	...	...	...	...	89	75
Zimmerknit, c. (no par)	.	...	25½	24½	25	25	525	25½	18
Do. pref.	7	7.69	91	90	91	93	47	93	89½
Trust and Loan—									
Can. Landed (par $50)	10+1	4.78	..	...	...	...	...	118	94
Can. Permanent	12	5.21	230	230	230	230	5	235	216⅛
Colonial Invest. (par $10)	6	...	5	5	5	5	4	7	5
Econ. Invest. (par $50)	4	6.03	58	56	58	56	150	58	53
Huron & Erie	7+½	5.03	..	...	...	...	...	152⅛	139
Landed Banking	10	5.81	..	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	..	...	...	...	...	52¾	47
National Trust	12	4.78	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.86	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.83	248	248	248	245	30	248	220
Toronto Mtge. (par $50)	10+1	5.18	110	110	110	106	2	110	100
Union Trust	7	6.16	..	...	...	...	...	113½	104

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Oct. 3	High for wk.	Low for wk.	Close Oct. 4	Close Sept. 27	Sales for wk.	Range, 1927 High	Range, 1927 Low
Anticosti, pref.	7	7.12	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	16	12	15	12	1340	35½	12
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	15	14½	14¾	15	370	20¾	14½
Belding, com.	6	8.00	75	75	75	75	45	88	67
Do. pref.	7	7.21	97	97	97	97	5	100	96¾
Brading Brew. (no par)	$2	5.71	..	...	...	...	...	35½	20
Brit. Amer. Oil (no par)	80c	2.42	34	31½	32	33	30983	34½	20
Can. Malting (no par)	.	...	34½	32	32⅝	33½	19675	34½	27¾
Can. Brewing (no par)	.	...	25	22¼	24⅝	23	2495	30¼	22¼
Can. Celanese (no par)	.	...	82	80	80½	80	150	85½	52¾
Do. pref.	.	...	92	92	92	91	25	94	88
Can. Light & Power	.	...	..	...	...	...	...	55	20
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	65	42
Do. pref.	7	6.98	100¼	98¾	98¾	99	190	100¼	97
Carling Brew. (no par)	$2	7.40	28	24¾	27	26	5909	34½	25
Cockshutt, pref.	4	4.79	83½	82	82	82	235	83½	67
Continental Oil	$1	5.26	..	...	...	...	...	22¼	16½
Cosgrave Brew. (par $10)	5	5.12	10	9¾	9⅞	10	1290	12	6
Cooksville Shale Brick, c.	.	...	13	12	13	12	67	14	10¾
Do. pref.	4	7.27	55	55	55	54½	3	55	50½
Com. Alcohol (no par)	.	...	24½	17½	22½	15	3120	70	15
Do. pref.	.	...	..	...	...	...	...	110	105
Cuneo Press	.	...	..	...	...	...	...	58⅞	58
Dom. Engineering	8	3.63	..	...	...	...	...	220	135
Dom. Power, pref.	7	6.98	..	...	...	...	...	101	100
Dryden Power (no par)	.	...	17½	16	17	17½	1530	19½	9½
E. Dairies, c. (no par)	.	...	46¼	44	46	44	993	46¼	20½
Do. pref.	7	7.21	..	...	...	...	...	98½	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18½	15
Do. pref.	.	...	75	75	75	75	5	95	72¼
Foothills Oil	.	...	2.75	2.50	2.75	2.95	720	3.25	2.00
Good. & Worts (no par)	$1	1.81	55	50⅝	54	50	6085	64	43¼
Chas. Gurd, com. (no par)	50c	...	40⅛	37	40	38½	697	43	28⅞
Do. pref.	7	7.33	97	95½	97	96	12	97	93
Hiram Walker (no par)	$2	3.44	58½	54½	58	54	41651	58½	28½
Illinois Power, pref.	7	7.00	101	100	100	100	35	101	98
Imperial Oil (no par)	$1.50	2.45	64	58	58¼	62½	47293	64½	37¾
Imp. Tob., c. (par $5)	6	3.33	9	8¼	8¾	8⅝	2765	10	6¾
Inter. Petrol (no par)	75c	2.27	34¼	32	32½	33⅞	7320	35¼	28
Inter. Pr., c. (no par)	.	...	28½	27½	27½	28	510	29	14½
Do. pref.	7	7.86	91	89	90	90	51	91	85
Loew's London, com.	25+50c	...	..	...	...	...	...	5¾	4¼
Manitoba Power (no par)	.	...	80¼	72½	79¾	73	1432	80¼	50
McColl, com. (no par)	80c	1.66	49½	47¼	47½	48¾	3842	50	22½
Mitchell, J. S.	.	...	..	...	...	...	...	32	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
Perfect Glass (no par)	.	...	..	...	...	...	...	8	6
North Bak. (no par)	.	...	42	38⅛	41¼	38	48846	42	25
N. Star Oil, c. (par $5)	.	...	..	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com. (no par)	.	...	30	29	30	28	320	30	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	6.86	..	...	...	...	...	51	47
Ott. Riv. Pr. (no par)	.	...	26	26	26	23¾	26	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	25
Do. pref.	.	...	100	99	100	99	155	100	95
Port Alfred, c. (no par)	.	...	65	60	65	60	56	65	55
Do. pref.	7	7.21	99	99	99	97	30	99	95
Power Corp., c. (no par)	.	...	59	53	57	54	10257	59	27¼
Do. pref.	6	6.15	97½	97½	97½	97½	25	97½	94
Simpson, Robt., pref.	6	5.89	..	...	...	...	...	102	100
St. Maur. Power	4	2.39	167	155	160	160	1060	170	96
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	60	56	60	56	1225	63	35
Do. pref.	8	7.33	..	...	...	...	...	110	104
Standard Clay	.	...	38	38	38	38	21	40	38
Supertest Peteroleum	.	...	40	36	40	36	710	40	35
Do. pref.	7	7.17	97½	96	97½	...	150	97½	96
Toronto Brew. (no par)	.	...	10½	9½	10½	10½	110	13½	9½
United Secs., com.	.	...	..	...	...	...	...	70½	43½
Do. pref.	6	5.68	106	105	106	105	199	106	103¼
Volcanic Oil	$1.40	5.40	26	25½	26	26	555	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

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PICCADILLY

Lake St. John to Operate in December

K. A. Wallberg, president of Lake St. John Power & Paper Co. reports rapid progress on the construction of the newsprint mill at Dolbeau, Que. The railway extension of 29 miles to the mill has been in operation since September 11. The construction of the buildings and other heavy work will be completed within the next two or three weeks. The two paper machines are being installed as well as the other equipment, and it is expected that the mill will begin making paper in December.

Last winter's cut of pulpwood is now mostly in the wood storage pile and all of this quantity will be in storage before winter. This wood will be used for operating the mill until next season's cut becomes available. The company is preparing to cut 100,000 cords this coming winter also.

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Significant Statistics in Pulp and Paper Industry

Canadian Production

Paper

Newsprint Production

Year	U. S. production	U.S. Imports from Canada	Canadian production
1913	1,305,000	219,000	350,000
1918	1,260,000	581,000	735,000
1919	1,375,000	624,000	803,000
1920	1,512,000	679,000	875,000
1921	1,225,000	657,000	808,000
1922	1,448,000	896,000	1,080,000
1923	1,485,000	1,108,000	1,266,000
1924	1,481,000	1,197,000	1,353,000
1925	1,530,000	1,295,000	1,536,523
1926	1,686,695	1,658,240	1,889,208

Book and Writing Production

	Tons
1926	80,403
1925	74,724
1924	67,934
1923	81,120
1922	64,808
1921	53,530
1920	73,196
1919	58,228
1918	48,150
1917	48,141

Wrapping Paper Production

	Tons
1926	97,057
1925	91,417
1924	89,441
1923	84,912
1922	81,793
1921	52,898
1920	77,292
1919	59,697
1918	61,180
1917	50,360

Paperboard Production

	Tons
1926	155,469
1925	144,646
1924	135,252
1923	130,582
1922	113,200
1921	89,114
1920	158,041
1919	137,678
1918	87,749
1917	54,080

Pulp

Bleached Sulphite Production

	Tons
1926	256,868
1925	227,465
1924	200,764
1923	204,297
1922	146,690
1921	154,804
1920	138,624
1919	109,795

Sulphate Pulp Production

	Tons
1926	256,075
1925	242,207
1924	218,207
1923	224,813
1922	217,862
1921	131,337
1920	188,487
1919	158,475
1912	33,469

Unbleached Sulphite Production

	Tons
1926	738,235
1925	615,320
1924	567,271
1923	545,371
1922	532,188
1921	322,125
1920	515,649
1919	452,320

Soda Pulp Production

	Tons
1926	x
1925	x
1924	x
1923	1,453
1922	793
1921	4,201
1920	5,768
1919	4,597

xProduction was very small; figures included with sulphate output.

Canadian Exports

Paper

Total Exports

Fiscal Year	Paper	Pulp	Total
1911	$3,924,425	$4,715,532	$ 8,639,984
1916	20,042,806	8,035,076	28,077,882
1917	26,107,824	20,414,053	46,521,877
1918	37,865,330	25,640,892	63,506,222
1919	49,165,795	34,696,771	83,862,566
1920	63,253,419	41,373,482	104,636,901
1921	92,103,307	71,552,037	163,655,344
1922	69,533,418	35,924,877	105,458,295
1923	79,567,941	42,976,948	122,554,889
1924	96,957,692	46,173,796	143,131,758
1925	99,941,910	41,565,241	141,501,151
1926	110,104,929	49,909,870	160,014,799
1927	123,222,734	49,887,739	173,110,573

Pulpwood Exports

	Cords	$
1927 (8 mos.)	1,219,404	11,090,800
1926	1,391,738	14,066,030
1925	1,423,502	14,168,935
1924	1,330,250	13,536,058
1923	1,384,230	13,525,004
1922	1,011,332	10,359,762
1921	1,092,553	14,617,610
1920	1,247,404	15,778,171
1919	1,070,275	10,593,581
1918	1,349,536	12,999,784
1917	1,017,845	7,922,422
1916	1,068,207	6,866,669

Bleached Sulphite Pulp Exports

	Tons	$
1927*	159,824	11,857,710
1926	200,995	15,734,220
1925	185,890	14,049,500
1924	165,869	12,383,645
1923	159,873	13,568,320
1922	151,048	12,112,480
1921	76,801	7,540,128
1920	100,640	15,225,226

*—8 months.

Unbleached Sulphite Pulp Exports

	Tons	$
1927*	129,018	7,935,000
1926	254,576	14,393,546
1925	263,854	14,150,271
1924	222,227	11,611,367
1923	228,003	12,405,995
1922	208,445	10,377,746
1921	127,389	9,122,612
1920	281,854	30,778,486

*—8 months.

Sulphate Pulp Exports

	Tons	$
1927*	109,099	6,768,000
1926	165,433	10,443,538
1925	149,722	9,158,261
1924	140,183	8,331,931
1923	146,345	9,453,758
1922	148,335	9,166,818
1921	99,539	7,199,218
1920	133,146	12,805,460

*—8 months.

Mechanical Pulp Exports

	Tons	$
1927*	165,002	6,726,000
1926	382,077	11,505,818
1925	360,205	10,573,273
1924	253,699	7,916,029
1923	341,108	11,599,323
1922	310,415	9,380,805

*—8 months.

Kraft Paper Exports

	Tons	$
1927*	10,011	1,213,000
1926	18,522	2,259,663
1925	20,535	2,779,298
1924	21,586	3,222,520
1923	20,364	3,087,957
1922	18,277	2,740,049
1921	6,893	1,295,332
1920	17,727	3,448,516
1919	12,499	1,917,817
1918	13,098	1,767,567
1917	11,311	1,158,348

*—8 months.

Newsprint Exports

	Tons	$
1927*	1,250,000	80,000,000
1926	1,731,986	114,089,595
1925	1,401,655	98,945,337
1924	1,219,384	90,990,717
1923	1,137,963	85,611,258
1922	959,514	68,362,817

*—8 months.

Book Paper Exports

	Cwts.	$
1927*	68,720	452,981
1926	60,545	520,337
1925	47,765	434,693
1924	22,874	189,113
1923	49,318	345,956
1922	31,695	225,710
1921	34,167	444,628
1920	58,768	628,118

*—8 months.

Bond and Writing Paper Exports

	Cwts.	$
1927*	10,085	84,000
1926	19,044	143,806
1925	12,371	102,039
1924	19,939	209,364
1923	23,222	240,535
1922	12,228	132,980
1921	23,698	411,083
1920	55,788	800,037

*—8 months.

Paperboard Exports

	$
1927 (8 months)	$1,425,288
1926	3,090,215
1925	3,170,869
1924	3,336,925
1923	3,248,177
1922	2,328,929

Value of exports during the first eight months of the current year has been estimated.

Investment Securities

Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.

Lumber :-: Bleached Sulphite Pulp :-: Fine Papers

SULPHITE MILL AT EDMUNDSTON, N.B.

Abitibi Power & Paper Company
Limited
NEWSPRINT
IROQUOIS FALLS, ONT.

H. S. FERGUSON
Member Eng. Inst. Can.; Am. Soc. C. E.; Am. Soc. M. E.
Consulting Engineer.
200 Fifth Avenue, New York City.
Pulp and Paper Mills *Power Developments*

PRICE BROTHERS & COMPANY LIMITED

RIVERBEND
KENOGAMI
JONQUIERE
RIVER ST LAWRENCE
MATANE
RIMOUSKI
PRICE
SALMON LAKE
MONTMAGNY
QUEBEC
BATISCAN
NEWSPRINT MILLS
SAW MILLS
TIMBER LIMITS

NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P.Q.

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

P.R.WILSON.24

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

Cable Address:
"SAGUENAY, CHICOUTIMI"

Asbestos Corporation Shares Soar to New High

Demand for Product Increasing and Prices Are Keeping Pace

ADVANCE OF $20 TON

From Our Own Correspondent.

MONTREAL.—The common shares of the Asbestos Corporation have again broken into new high ground. There is apparently no new development in the corporation to account for the recent strength in the stock. The Asbestos Corporation is, of course, doing a better business than last year, but from those familiar with its operations no spectacular earnings are anticipated this year.

There is no new development in the situation affecting the negotiations which the corporation has carried out with the owners of the Bell Asbestos Mine at Thetford—one of the competitors of the corporation. The rumor, originating in Ottawa, indicated that the Johns Manville organization was seeking control of the Asbestos Corporation, but there is apparently no possibility of this development.

Investors purchasing the shares at the present level are looking ahead to the future, realizing the predominant position which the corporation occupies in the world's asbestos industry, and feeling that over a period of years the earnings on the common shares will show substantial increases.

They have every reason to feel justified in this belief in the light of the Asbestos Corporation's operations during the past year. Prices are better and the demand for asbestos and its products on the European markets have been increasing steadily. They, in fact, promise to reach the pre-war basis. Prices obtained for the twelve months ending August 31, last, averaged about $20 a ton more than during the corresponding period a year ago. It has been stated that earnings for the month of August, after bond interest, but before depreciation had been allowed for, were at the rate of $2,000,000 per annum, and that after making deductions of $300,000 for depreciation and $522,000 for the preferred stock dividends, there remained some $1,178,000 applicable to the common stock. This would mean earnings for the common stock equivalent to $5.90 a share per annum, if these figures are maintained throughout the year.

Rumors of an American company seeking control of the Corporation persist and have undoubtedly had a tendency to cause the steady rise which has marked Asbestos Corporation stock in this week's market. The Asbestos Corporation enjoys the distinction of being one of the few Canadian industries which commands a dominant position in supplying the world with its products. The major portion of the asbestos deposits of the world are located in Canada and the Asbestos Corporation controls the greater part of the asbestos areas in the Dominion.

The fixed assets of the Corporation are valued at over $20,000,000 which with the net working capital of the Corporation, bring its total assets up to a value in excess of $23,000,000. Outstanding bonds amount to some $7,800,000. There, therefore, remain over $15,000,000 available for the preferred stock, which is equal to over $200 per share. The common stock has a book value of over $40 a share. There are some 74,500 shares of preferred stock held by over 2,200 shareholders and some 2,400 shareholders are the owners of the 200,000 shares of no par value common stock of the Corporation.

Capitalization of Company

	Outstanding	Issued
6%, 15-year bonds, 1941	$3,000,000	$3,000,000
6%, 30-year Gen. Mtge Bonds, 1956	10,000,000	4,800,000
7%, Non-Cum. preferred	12,000,000	7,456,400
Com. stock no par value ...(shares)	200,000	200,000

National Cement Notice Gives Temporary Shock

From Our Own Correspondent.

MONTREAL.—Shareholders of the National Cement Company received somewhat of a shock when notified of the annual meeting of the company held on Wendesday. A clause in the notice stated that consideration would be given as to what steps might be taken to fulfill the expressed desire of the directors to liquidate and wind up the company.

It subsequently transpired that the company in question was the "National Cement Incorporated." This company bearing a name almost identical with the National Cement Company was established in 1923, and subsequently taken over by the National Cement Company. The winding-up had to do with the calling in of some $1,400,000, first mortgage 7 per cent. serial bonds of an issue of $1,500,000 of "National Cement Incorporated" by the present company.

Private Wire Connection to New York, Chicago, Winnipeg, Montreal, Toronto and Vancouver.

G. F.
TULL & ARDERN
LIMITED
STOCK, BOND, GRAIN
and
FINANCIAL BROKERS
LANCASTER BUILDING
CALGARY, Alberta

THE
SHERIDAN NURSERIES
LIMITED

offer
CANADIAN GROWN
Evergreens, Trees, Shrubs,
Perennials, Alpines, Vines, Roses
HEAD OFFICE
4 St. Thomas St., Toronto 5
Nurseries, 260 acres,
Clarkson, Ont.

Pacific Lumber Market Sluggish

General conditions in the lumber industry on the Pacific coast have not undergone any change for the better. The Prairie market has weakened and export demand is smaller than heretofore. There is no improvement in American rail business. The Japanese and Australian business, which is going on regularly, has not shown any strength. It has been in a somewhat precarious condition over the last four months and has not improved. The volume is large but prices are perilously close to the cost of production at most of the mills and prices have not improved. New Zealand purchases have been small.

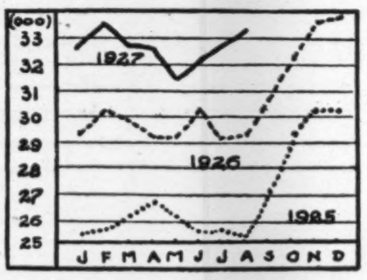
AUGUST POWER OUTPUT SHOWS SEASONAL GAIN

Lighting Demands Account For Large Share of Increase

For the sixth time, the monthly output of central electric stations in Canada during August passed the one million kilowatt hours mark.

This is the usual period of the year, when domestic lighting and commercial demands cause an upward swing in the output of central electric stations. The increase in August, 1927, however, is more pronounced than in previous years.

According to the report of the Bureau of Statistics, 1,030,900 thousands of kilowatt hours represents the output for August. This compares with 945,611 thousands in the preceding month and 907,050 in the same month last year. Comparison with August, 1925, is even more striking, the difference amounting to 254,701 thousands. Of the total production last month, 1,015,435 was accounted for by water power and the balance by fuel using stations.



Ontario and Quebec Lead

The two central provinces, Quebec and Ontario, continue to make the most substantial gains. Ontario stations in August produced 490,758 thousands of kilowatt hours. This is the third largest output ever recorded for any one month. At the same time Quebec accounted for a production of 357,634 thousands, which also is the third largest monthly output for that province.

Both the Prairie Provinces and British Columbia reported increased production during the month, the latter totaling 83,027 and the former 71,902 thousands. While the Prairie output has been exceeded several times, it is significant that the Pacific Coast province sets a new high mark. These figures represent the amount of power generated by water and do not take into consideration output derived from fuel stations. Under this latter category, the Prairie Provinces had an additional output of 10,718 thousands, a slight increase over the preceding month.

The Maritime Provinces reported an increase during August of more than 40 per cent. in excess of the previous month, thus bringing the total up to the level which had been prevailing during the first five months of the current year. It is noticeable that output of power in the Atlantic provinces varies more widely from month to month than in the other economic areas, but this year, with the exception of June and July, monthly production has been maintained at a comparatively high level.

Lighting Accounts for Increase

Although the use of power statistics to gauge industrial activity is not entirely feasible in Canada, reports of the past few months have indicated with some degree of accuracy the trend of activity in manufacturing. The Bureau's index of the volume of manufacturing for August, however, shows little change from the previous month, so that the heavier output of power is almost wholly accounted for by increased domestic and commercial lighting demands.

Can. Railway Net Traffic Revenue Declines in July

Freight traffic on Canadian railways during July last was lighter than in the same month a year ago by 1.2 per cent. and freight revenues declined by $942,279 or 3.5 per cent. Passenger traffic and revenue were also lighter and gross revenues were reduced by $1,345,192, or 3.3 per cent. Operating expenses were heavier by $1,062,558, or 3.2 per cent., causing a reduction in the net operating revenue of $2,407,750.

For the seven months period January to July, 1927, gross revenues increased by $6,664,484, but net revenues were less by $4,550,989, and operating income was less by $5,940,627.

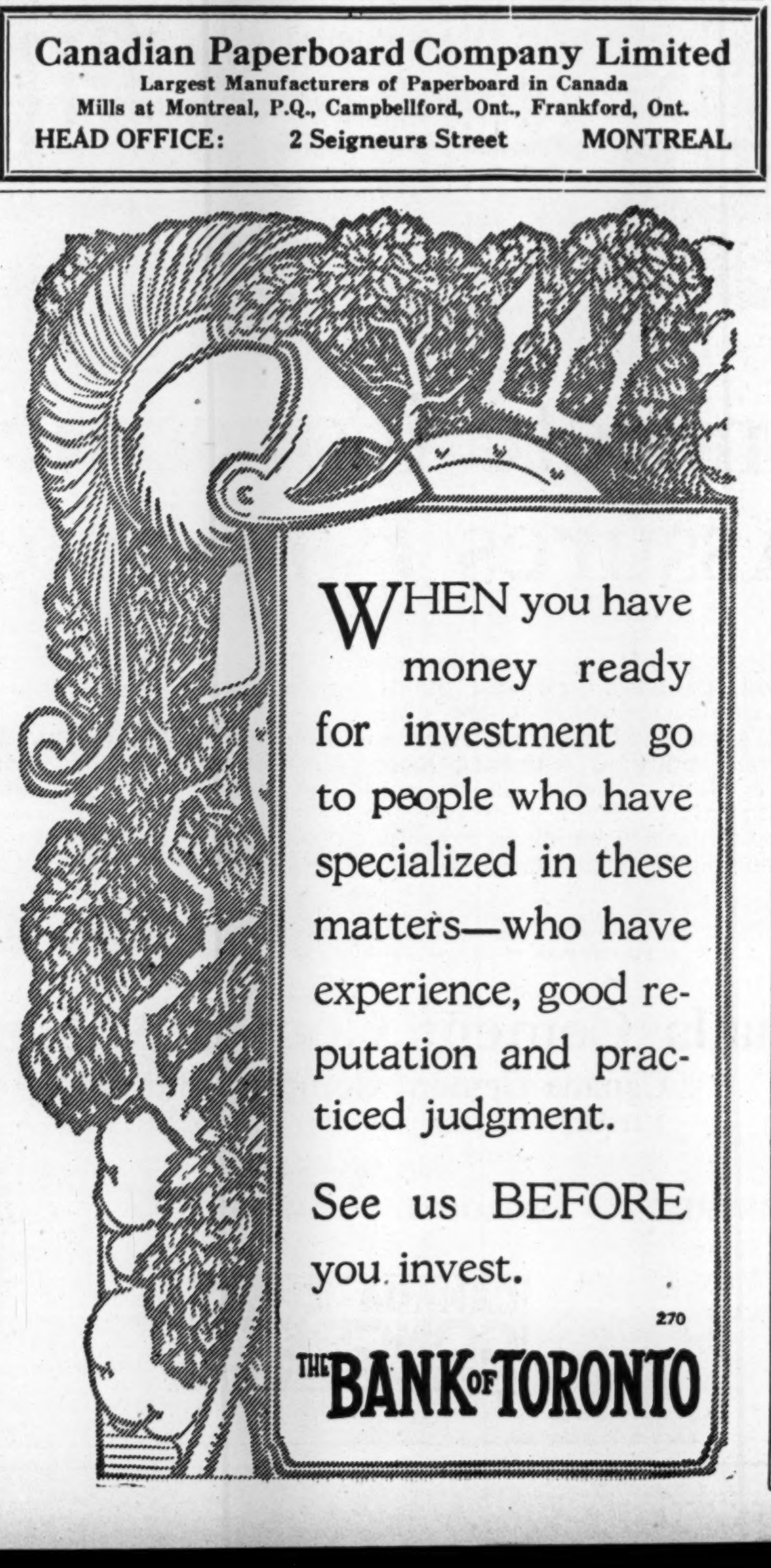
The Maritime Freight Rates Act, 1927, ordered certain reductions in freight rates on the Eastern lines of the Canadian National system and authorized other railways, operating in the same territory, to make similar reductions and to bill on the Board of Railway Commissioners for the differences resulting from such reductions. The railways so affected have included the amounts of such bills in their reports for July as revenue accrued, so that the monthly operating reports are not affected by the Act except in so far as it affected the revenues of the Eastern lines.

Homesteading Active

Twenty-two homesteads and two soldier grants were taken out in the Edmonton Dominion Land Office during the week ending September 20, and officials of the place believe that the period following harvest will be the busiest of the year.

Financial Assistance
to Estates being administered by it
PAID UP CAPITAL
AND RESERVE $1,259,430.36
The Imperial Canadian Trust Co.
Executor, Administrator, Assignee, Trustee, Etc.
Head Office: Winnipeg
Branches: Saskatoon and Calgary

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL


WHEN you have money ready for investment go to people who have specialized in these matters—who have experience, good reputation and practiced judgment.

See us BEFORE you invest.

270

THE BANK OF TORONTO

WINNIPEG'S
Invitation to Manufacturers

To manufacturers in many industries, Winnipeg offers advantages in the establishment of a Manufacturing plant, which no other city can duplicate.

CHEAPEST POWER IN AMERICA

Low Building Costs, Cheap Land, Plentiful Contented Labor, Clear Bracing Climate. Located at the door of the World's fastest growing market.

101
OPENINGS for INDUSTRY

Send for this Booklet

INDUSTRIAL DEVELOPMENT BOARD OF MANITOBA
Confederation Life Bldg., Winnipeg
Send me "101 Openings for Industry"
Name ....
Address ....
P.
WINNIPEG

The Royal Bank of Canada
Head Office, Montreal

Condensed Statement to the Dominion Government

August 31, 1927

LIABILITIES

Capital Paid up	$ 29,840,220.00
Reserve Fund	29,840,220.00
Undivided Profits	1,409,674.58
Dividend No. 160, payable 1st September, 1927	891,272.51
Notes in Circulation	36,905,273.94
Deposits	619,446,826.95
Due to other Banks	24,076,412.17
Bills Payable (Acceptances by London Branch)	6,791,753.01
Letters of Credit outstanding	33,670,017.20
	$782,871,670.36

ASSETS

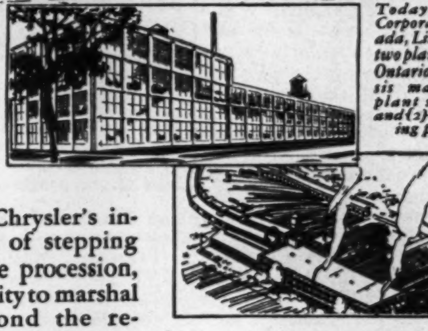
Cash on Hand and in Banks	$101,565,382.76
Deposit in the Central Gold Reserves	11,000,000.00
Government and Municipal Securities	108,292,071.94
Railway and other Bonds, Debentures and Stocks	18,714,296.78
Call Loans in Canada	39,008,049.40
Call Loans elsewhere than in Canada	60,589,177.36
	$339,168,978.24
Loans and Discounts	390,910,435.72
Liabilities of Customers under Letters of Credit as per contra	33,670,017.20
Bank Premises	14,482,146.09
Real Estate other than Bank Premises	1,912,087.84
Mortgages on Real Estate sold by the Bank	1,428,005.27
Deposit with Dominion Government for Security of Note Circulation	1,300,000.00
	$782,871,670.36

873 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.
Auxiliary: THE ROYAL BANK OF CANADA (France)

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

Canadian-Built Chryslers Give So Much More for the Money

The Illustrious New Chrysler "72"—longer, roomier, faster, handsomer — outdistancing all performance rivals—inviting your severest tests . . . Royal Sedan (illustrated) $2060, f. o. b. Windsor, Ont., including standard factory equipment (freight and taxes extra).


Today the Chrysler Corporation of Canada, Limited, operates two plants at Windsor, Ontario—(1) the chassis manufacturing plant shown below and (2) the body building plant at left.

Unique Advantages of Standardized Quality Apply to Every Chrysler ∽ ∽ ∽

The buying public, always eager to award recognition to outstanding achievement, has been most emphatic in its acclaim of the four great Chrysler lines—the New "52," the Great New "62," the Illustrious New "72" and the Imperial "80."

In each of these four great motor car markets, Canadians have found that Chrysler Standardized Quality gives results in performance, beauty, comfort and roadability that are obviously beyond approach by cars selling at or near the same prices.

Chrysler's mastery of scientific engineering, Chrysler's inveterate habit of stepping faster than the procession, Chrysler's ability to marshal features beyond the resources of the imagination of the ordinary builder and crowd them into a glowingly beautiful vehicle without forcing up the price—that is what Standardized Quality makes inevitable in every Chrysler.

The four great Chrysler cars are themselves the strongest evidence of the new standards and the new qualities of performance, beauty and comfort which have won such immediate and overwhelming acceptance in Canada as throughout the world.

See these new Chryslers—take a ride and you will quickly understand why so many thousands of buyers are turning to Chrysler for supreme value in every price class. Remember: Chrysler cars are made by Canadian craftsmen in the two Chrysler plants at Windsor, Ontario.

CHRYSLER CORPORATION OF CANADA, LIMITED, WINDSOR, ONTARIO
WALTER P. CHRYSLER, *Chairman of the Board*

Chrysler "52"	*Chrysler "62"*	*Chrysler "72"*	*Chrysler Imperial "80"*
SIX BODY STYLES	SIX BODY STYLES	SEVEN BODY STYLES	ELEVEN BODY STYLES
$925 to $1095	$1375 to $1695	$1930 to $2270	$3245 to $5270
52 miles and more per hour	*62 miles plus—with ease*	*72 miles plus*	*80 miles plus—92 horsepower*

All prices f. o. b. Windsor, Ontario, including standard factory equipment (freight and taxes extra)

CHRYSLER

THE CANADIAN-BUILT CHRYSLER FOR CANADIANS

Public Utilities

International Utilities Class B Shares Have Future Possibilities

Shares Are a Gamble, But Earnings Are Increasing Rapidly

POSITION IS REVIEWED

Corporation Looks to Canadian North-west for Increased Revenues — Profits on Common This Year

From Our Own Correspondent

MONTREAL.—The B shares of the International Utilities Corporation are an out and out gamble—but they are an attractive speculation in the public utility field. The attractiveness of such a gamble is augmented because the record of public utility corporations in the past has certainly been one which indicates that the investor who purchases for the long hold will do well.

The shares of the company change hands on the New York Curb and on the Montreal Curb and also in Toronto. Present quotations are about $6 to $7. Thus the securities are perhaps one of the lowest priced utility stocks obtainable.

First organized in October, 1924, as a public utility holding company, the subsidiaries of the International Utilities Corporation now serve a territory with a population of some 1,100,000. The holding corporation's chief subsidiaries are the Kentucky Securities Corporation and its several subsidiaries; the Canadian Western Natural Gas, Light, Heat and Power Company; Canadian Utilities and its two subsidiaries, Northwestern Utilities and the Princeton Petroleum Company; Gas Production and Transportation Company; Buffalo and Erie Railway Company; Nanaimo Electric Light, Heat and Power Company; Duncan Utilities, Vegreville Utilities.

Is Really International

From the foregoing it can be seen that the holding company is not merely international in name. It is understood that close to 50 per cent. of its revenues now come from the Canadian public utilities field.

The subsidiary companies provide the entire electric light and power requirements of Lexington, Kentucky, Nanaimo, B.C., Duncan, B.C., Vegreville, Alta., Waterous, Sask., and through wholesale power contracts the subsidiaries serve twelve other Kentucky communities. They serve the cities of Calgary, Edmonton and Lethbridge and eleven other communities in Alberta with their entire gas requirements. In addition, the Kentucky subsidiary does an ice and cold storage business in Lexington and Georgetown, Ky. The subsidiaries provide the entire tramway service in Lexington and Frankfort, Ky., and operate a fast freight and passenger electric railway from Buffalo, N.Y., through a well populated territory to Erie, Pa. A water system is also operated in Duncan, B.C.

Annual Production

In 1926 the subsidiary companies' output of electric energy was 44,601,645 k.w.h. The gas output was 4,760,683,000 cubic feet, the ice output 44,863 tons, and in all 47,524 gas and electric customers were served.

The entire system under the control of the parent company serves 53 communities and operates 711 miles of gas main, and 200 miles of electric railway.

Earnings from the Buffalo and Erie Railway subsidiary are not satisfactory and last year this company had a small deficit. But the Canadian Western Natural Gas, Light Heat and Power Company has materially increased its profits during the past six years, and since 1921 there has also been a steady increase in earnings of the Kentucky Securities Corporation and its subsidiaries.

While the Kentucky subsidiaries are doing a good business, it is to the Canadian north-west that the company looks for materially increased earnings. Earnings from the Canadian Western Natural Gas, Light, Heat and Power may be expected to show some increase, but of all the sources of revenue of the parent company probably the most satisfactory at the present time is the Northwestern Utilities, which has been doing a large and increasing business, and while it is a company of comparatively recent origin, nevertheless it is now making very satisfactory earnings on the equity in the property. It supplies natural gas to the city of Edmonton and the surrounding territory.

Capital Structure

The capitalization of the International Utilities Corporation is as follows:

$7 cum. prior pref. no par value stock	1,000,000 shs.	35.488
Class A com. ($3.50 pref. dividend)	500,000 shs.	131,248
Class B common	1,000,000xshs.	469,039

x53,438 shares have been reserved against outstanding subscription rights.

From the foregoing it will be seen that the holding company has no bonded debt, and that the $7 preferred stock is of no-par value. The no-par value preferred stock is a rather unusual method of financing in Canada.

Class A Cumulative, Too

The class A stock ranks junior to the no-par value preferred stock and is entitled to cumulative dividends of $3.50 a year. It also participates with the B stock up to $5 per share after the B stock receives $1 per share. The A stock is non-voting unless dividends are in arrears. Both the no-par value preferred and the A stock when issued carried a bonus of B stock. The preferred issue was created in August, 1925, and dividends have been steadily paid since the issue was distributed.

Public Utility Earnings

Northern Mexico Power

August—	1926	1927	Increase	%
Gross	$111,799	$ 124,443	$ 12,644	11.31
Net	90,304	101,524	11,219	12.42
Eight Months—				
Gross	836,493	1,022,660	186,166	22.25
Net	670,484	855,649	185,164	27.62

Winnipeg Electric

August—	1927
Gross earnings	$427,168
Net revenue	126,140
Fixed charges and taxes after deduct. other income	95,639
Net income from oper.	30,500
Monthly propn. Manitoba P. Guar.	14,050

International Power

6 mos. end. June 30—	1927	1926	Increase
Gross earn.	$2,024,393	$1,822,084	$202,309
Oper. exp.	1,106,451	1,108,011	x1,560
Net earn.	917,942	714,073	203,869

xDecrease.

Jamaica Public Service

August—	1927	1926
Gross earnings	$54,888	$51,811
Net earnings	21,310	21,151
Surplus after charges	15,235	15,021
12 mos. ending Aug. 31—	1927	1926
Gross earnings	$678,401	$642,010
Net earnings	275,646	248,052
Surplus after charges	201,941	172,830

The class A dividends are cumulative and dividends were initiated early in 1925 on this issue and have since been paid regularly.* No dividends yet have been paid on the class B stock. The earnings of the International Utilities are growing rapidly. This is what makes the class B stock an attractive gamble.

Net Profits Much Larger

For the twelve months ending June 30, 1926, the gross revenues of the subsidiaries amounted to $4,585,424. For the year ending June 30, 1927, the gross revenues had increased to $5,507,027. The net figures after payment of all preferred dividends on subsidiaries and applicable to the parent company doubled during the same period. The figures increased from $421,566 to $842,348. During the past twelve months there has been a substantial and steady increase in the earnings of the subsidiaries. The largest increase, of course, came from the Canadian field.

The foregoing earnings figures apply only to the profits accruing to the parent company from its subsidiaries, and not the profits obtained through the sale of securities or other assets formerly held. While the earnings of the International Utilities Corporation have grown more than substantially, yet the speculative position of the class B stock comes to light when the statistical records of the earnings of the corporation are consulted.

No Profits on Class B

In the statistical records there are two schools of thought. One group shows earnings of $6.55 on the A stock and 85 cents on the B stock last year, whilst other statistics show earnings on the A of $2.98 and no earnings on the B. The reason for the difference lies in the fact that last year, as in previous years, the company made profits on the purchase and sale of securities or subsidiaries.

If the profits from such sales be taken into consideration, earnings on the class B stock last year are shown to be 85 cents per share. Presumably, though, the more accurate method of showing the company's earnings is to take into no account the profits made on the appreciation and sale of securities or subsidiaries. Thus, earnings of $2.98 on the A and no earnings on the B stock probably presents a better and more conservative picture of the company's earnings capacity in 1926. This earning capacity, however, has been largely increased this year, and even on the most conservative basis it is felt that the class B stock will show something earned.

Largely From Canada

As has been said, the improvement in the earnings comes largely from the increased revenues from the Canadian subsidiaries, which, with the better business conditions in the West, and the success with which the Northwestern Utilities has met, will be substantial.

The oil situation in Alberta is an interesting feature of the company's outlook. The company already is benefiting from an arrangement whereby Imperial Oil extracts oil from the wet gas in one or more wells and in the 10,000 acres of land in the province, it is expected that oil in paying quantities will be found and that the company will benefit from development on a royalty basis.

Present quotations are about $6.50 to $7. Thus the securities are perhaps one of the lowest priced utility stocks obtainable.

The expansion of the company is being continued and this year the Rosetown Electric Light and Power Company and the Waterous Electric Light and Power Company were both acquired.

From the capitalization figures of International Utilities it will be seen that there are a large number of class B shares outstanding, and thus future earnings per share are apt to be low. Nevertheless, it can be seen that while the class B stock is a gamble, it is apparently an exceedingly attractive gamble at present prices, but only for the investor who is willing to bide his time and to await the development which will probably take place in the territories served by the various subsidiaries.

Earnings on the Stock

For the twelve months ending June 30, 1927, there was earned on the class A stock $4.40 a share directly from operations of the subsidiaries, as compared with dividend payments of $3.50 a share. Thus there are profits now applicable to class B. In addition, also, the corporation shows a substantial profit on its investments during the same period.

Like the balance sheets of practically all holding companies, the consolidated balance sheet of the International Utilities Corporation and its subsidiaries, as at December 31, 1926, revealed but little significant information to the investor. Total assets stand $33,114,190, with capital assets carried, less the depreciation of $2,500,000, at $28,422,775. The surplus account stands at $5,416,384, and outstanding securities of subsidiaries are carried at $16,871,997. The International Utilities Corporation carries all its outstanding shares at $7,745,497.

DULUTH SUPERIOR TRACTION'S GROSS LOWER IN AUGUST

But Gain in Net for Year is 32 Per Cent. Over 1926

Duluth Superior Traction Co. gross earnings were less in August of this year than in August of 1926. However, there was such a decrease in operating expenses, compared with the corresponding month of last year, that the net earnings show an increase of $1,093.

Net earnings for July were more than double the net earnings for August and the net earnings for January, the biggest month in the year, were four times the net earnings for August.

Net Grows Heavily

The figures for the eight months of the calendar year show an increase of $54,634 in gross earnings a decrease of $7,909 in operating expenses and an increase of $61,368 in net earnings, which is 32 per cent. higher.

The August drop in gross earnings, compared with July and with August of a year ago, is seen as a distributing factor. The summer months now are considered the worst for traction companies but it was not expected that the net earnings for August would be materially below those for July.

Duluth-Superior recently obtained an increase in fares on the ground that the present rates did not admit of earnings equivalent to 7½ per cent.

The figures for September, when available, will be perhaps more indicative of the immediate future for this utility. The holiday season will be over and while the snow has not as yet blocked the streets and forced motorists to use the street cars, there should be an increase in street car travel.

The detailed figures for the eight months follow:

	Gross Earnings			Oper. Exp.			Net Earnings		
	1927	1926	Increase	1927	1926	Increase	1927	1926	Increase
Jan.	185,024	167,270	17,754	138,654	135,196	3,457	46,369	32,073	14,296
Feb.	174,179	161,111	13,067	133,112	129,028	4,083	41,066	32,082	8,984
Mar.	176,320	171,857	4,463	137,149	138,331	*1,182	39,170	33,525	5,645
Apr.	159,240	148,711	9,529	125,706	123,926	1,780	33,534	25,785	7,748
May	156,668	149,530	7,138	126,153	128,011	*1,857	30,514	21,518	8,995
June	148,058	143,404	4,654	118,959	122,678	*3,718	29,099	20,725	8,373
July	146,043	146,686	*642	121,081	127,954	*6,873	24,962	18,731	6,230
Aug.	142,043	143,373	*1,330	122,775	126,375	*3,599	11,814	10,720	1,093
Total to date	1,287,578	1,232,944	54,634	1,023,593	1,031,503	*7,909	256,531	195,163	61,368

Director

W. J. BLAKE WILSON,
Vice president and director P. Burns & Co., Limited, Calgary; President Coalmont Collieries, Coalmont, B.C.; Director, Montreal Mutual Life Assurance Co., who has been elected to the Board of the Canadian General Investment Trust.

Power Corporation Declares Dividend on 2nd Preferred

From Our Own Correspondent

MONTREAL. — That the Power Corporation of Canada has declared an initial dividend on its second preferred stock is of vital importance to the common shareholders. The second preferred shares of the corporation are not held by the public, and as they are non-cumulative, the dividend declaration opens the way eventually for dividends on the common stock. The recently published annual statement of the Power Corporation shows a more than substantial increase over its first annual report, published a year ago. Those in touch with the activities of the Power Corporation feel that while an immediate or a comparatively immediate dividend declaration on the common is out of the question, yet the corporation is now making earnings on its common which ultimately will result in dividend payments coupled probably with a price appreciation.

Laval Diamond Drills to Prove Survey Work

Laval-Quebec have dropped one of their two options in Desmoilozes township, but has had excellent results on the other.

Laval was working under two options in Desmeloizes Township, next to Abana, one from Jos. McDonough, just east of the Abana property, and another one from Bernard & Cossette, south-east of Abana.

From all the work done to date on both properties the best showing by a long way was on the lower option and in fact indications were so bare on the upper option that Laval decided to drop it and have refused to make the payment which was due on the first of October. This closes the transaction.

As it is now, Laval stands with the lower option to its credit with the best of possibilities as shown by the electrical survey.

"Had the upper option proven half as interesting as the lower one we were prepared to take care of all payments," J. A. Naud, vice-president and managing director, told The Financial Post.

The survey has disclosed very strong indications on the lower option and Laval has moved the diamond drill on that property to prove the readings. The public should hear of the results within the next few days.

Abitibi
F. N. Burt
Consumers' Gas
Shredded Wheat
Montreal Power
Christie Brown
Power Corporation

We have prepared a fifteen-page analysis of the above securities which we would be glad to forward, with no obligation, to those interested.

Write or call.

Duncanson, White & Co.

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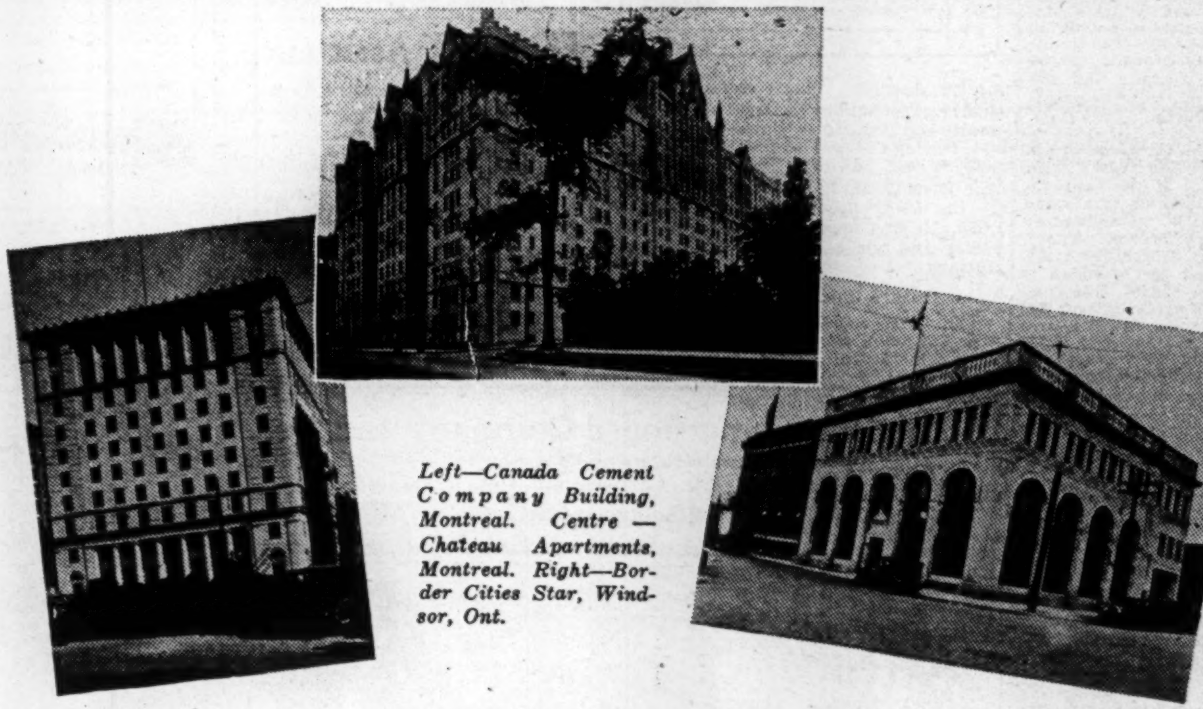

Left—Canada Cement Company Building, Montreal. Centre — Chateau Apartments, Montreal. Right—Border Cities Star, Windsor, Ont.

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LAKE OF WOODS HAS GOOD YEAR IN HOME TRADE

Net Profits Are Up $287,600 Over Last Year's Figures

COMPETITION IS KEEN

General Meighen Says Increased Immigration Will Improve Conditions in Flour Milling Industry

From Our Own Correspondent.

MONTREAL.—An increase of some $362,600 in gross profits, and over $287,600 in net profits over the previous year is revealed in the annual report of the Lake of the Woods Milling Co. which has just gone forward to shareholders. Gross profits for the past year are given as $634,378, and net profits as $559,378.

Current assets, which stand at $5,305,341, are over $725,000 in excess of last year's figures. Some $75,000 was deducted from the gross profits for depreciation, an item which did not appear in last year's balance sheet. A surplus of $679,819 carried over from the previous year left a balance of $1,239,197, of which $105,000 was appropriated to the 15,000 shares of 7 per cent. cumulative preferred stock, $420,000 to the 35.000 shares of common stock outstanding, and the balance of $714.197 carried forward.

The improvement in the company's earnings and the betterment in the working capital position is revealed in the following comparison of figures over the past three years:

	1927	1926	1925
Gross Profits ..	$634,378	$271,792	$193,486
Less Deprec'n.	75,000	....	115,000
Net Prof. for Yr.	$559,378	$271,792	$ 78,486
Add Surp. from Prev. Year ..	679,819	933,027	1,379,541
	$1,239,197	$1,204,819	$1,458,027
Approp. as follows—			
Pref. Div. ..	105,000	105,000	105,000
Com. Divs. ..	420,000	420,000	420,000
	$525,000	$525,000	$525,000
Leaving to be Carried Fwd.	$714,197	$679,819	$933,027

The working capital position is as follows—

	1927	1926	1925
Curr. Assets	$5,305,341	$4,580,159	$4.519,250
Curr. Liabs.	2,946,904	2,120,298	1,714,630
Work. Cap. ...	$2,358,437	$2,459,861	$2,804,620

Export Market Poor

Brig.-Gen. F. S. Meighen, C.M.G., the president, in his report to the shareholders, said, in part:

"In the domestic market, competition has been very keen, as usual. A hopeful feature is the increased immigration, which will add to the number of consumers of flour in Canada. In this industry as in other lines of Canadian business, immigration is a considerable factor in future improvement.

"The export market has been poor. We have had to contend with increased tariffs and other restrictions imposed by some European countries, as well as with the keen competition of American mills which have been able to buy wheat at an average lower price than Canadian mills could do. There has also been heavy price cutting by British millers which has affected prices for Canadian flour in Great Britain."

FIRE PREVENTION PAYS; LOSSES BEGIN TO SHOW DECLINE

(Continued from page 1)

anating from uninformed sources quite frequently contain the implication that fire prevention work is a Canute-like attempt to stay the rising tide of fire waste, that the insurance companies prey upon that fact to burden the public with excessive insurance costs and that the governments in general maintain an imperturbable indifference to an economic condition that is responsible for wholesale national impoverishment. Inasmuch, however, as the results of properly directed energy are never wholly abortive, we may justly suspect the truth of any such conclusion. Has the unstinted service of the fire marshals and the local fire chiefs throughout Canada, borne no fruit? Has the sincere and purely altruistic efforts of the members of organizations such as the Dominion Fire Prevention Association gone for naught? Has the propaganda urged through every available channel during the past few years fallen upon the barren soil of public indifference? What are the facts?

The past five years incontrovertibly testify to the benefits that accrue from fire prevention work. Commencing in 1922, when normal values first became stabilized after the hectic fluctuations of the post-war period, the record is as follows:

In 1922, the value of property destroyed by fire was $54,390,688. In 1923, the loss was $48,570,700, in 1924, $45,906,500, in 1925, $40,729,700, and in 1926, $38,395,000.

From the mean level of 1922, the decrease in property loss for each subsequent year was, in 1923, $5,819,900, in 1924, $8,484,100, in 1925, $13,660,900, in 1926, $15,995,600, or an apparent aggregate saving of $43,960,500 during the five year period.

Rate Shows Greater Decline

But from 1922 to 1926, property values increased by approximately 26 per cent. Properties in Canada in 1922 had a total insured value of $7,934,838,000, in 1923 $8,341,681,000, in 1924, $8,819,344,000, in 1925, $9,364,439,000 and in 1926, $9,891,692,000. If fire losses from 1922 to 1926 had maintained the same rate of increase as property values, the total loss in 1926 would have been $68,800,000 instead of $38,390,000.

No part of the Dominion can be given the larger credit for this important saving. Losses have been curtailed in all the provinces, in all the important cities and towns and in all classes of occupancy. The most arresting change has taken place in the extent of fires in large industrial and mercantile establishments. In 1922, individual losses of over $100,000 numbered 115 and destroyed property valued at $22,545,000. In 1926, similar fires affected 41 properties and entailed a loss of $7,749,800.

But it doubtless will be pointed out that during the period under review the insurance companies have levied an increasing premium tax upon the insuring public. In 1922, the premium income of Dominion and provincial companies amounted to $53,058,936, in 1923, $56,034,040, in 1924, $54,651,793, in 1925, $56,757,955, and in 1926, $58,639,825. In the face of a rapidly declining loss record, that apparent increase of $5,580,000 between the premium levels of 1922 and 1926 demands an explanation. The reason is clear. In 1926, the insurance companies covered property worth more by $1,956,854,000 than the property covered in 1922. Their contingent committments to the insuring public increased by 26 per cent., while their income receipts increased by only 10 per cent. But that is not the whole story.

From the time fire prevention effort began to affect fire losses, fire insurance rates have shown a gradual and consistent decline. In 1921, the average rate per $100 at risk charged by all the companies licensed in Canada was $1.11. In 1922, it was $1.06, in 1923, $1, and in 1924, $1.02, in 1925, 98 cents, and in 1926, 93 cents.

Had the average premium rate of 1922 been maintained in succeeding years on the increased values covered, the income of the companies would have been appreciably greater. In 1923, rate reduction meant a saving to the public of $3,362,000, in 1924, $2,143,000, in 1925, $4,633,000, and in 1926, $8,196,000 In the four year period, insured property owners in Canada saved no less than $18,334,000 through reduced insurance rates.

Offsetting Future Losses

But the results of fire prevention work are not confined to the immediate present. With an increasing population and with productive and distributive facilities augmented from year to year, Canada is rapidly adding to the value of its tangible property. On every reasonable ground it might be expected that in terms of dollars the normal fire loss would increase. It is the work of fire prevention to offset future possibilities by present precautions. Silent witnesses to such activity are on every hand. During the past few years, automatic sprinkler protection has been installed in 1,276 business properties and eighty per cent. of all new industrial establishments make similar provision. To-day in all the more important buildings, fire-resisting construction is taking the place of combustible construction. In communities everywhere throughout Canada water supply systems and fire departments are organized and equipped with an efficiency never known before. More than two million pupils in the public schools are learning the rudiments of fire safety, and of the obligations that rest upon the owners and occupants of property. The progress may be slow but these provisions are the guarantee of a continuing decline in the fire loss ratio and a greatly reduced insurance cost in the immediate future.

Week is Clarion Call

The built-to-burn era of the past fifty years was the outcome of new and undigested economic conditions. Lack of capital and rapid expansion led to flimsy construction and careless management. But economic conditions are rapidly changing. In the face of competition arising from more excellent methods, the consequences of fire waste are becoming increasingly evident. Fire is recognized as an important handicap upon material advancement which must be eliminated at all cost. As one of the means to this end Fire Prevention Week comes like a clarion call; its observance implies a proper perception of the obligations and duties of the responsible Canadian citizenship.

Without question, fire prevention pays. Its benefits are both material and moral; it not only enhances the immediate present but carries lasting satisfaction into the years that are ahead.

Sale of Quebec Pulp and Paper Mills Confirmed

From Our Own Correspondent.

MONTREAL.—At this week's meeting of the shareholders of Quebec Pulp and Paper Mills, Ltd., in Montreal, the deal whereby the assets of the company are sold to Price Bros. and Co., Ltd., and Port Alfred Pulp & Paper Corporation, was ratified unanimously. Out of a total issued capital of 139,083 shares of preferred and common stock, 109,964 shares were represented at the meeting either in person or by proxy. The value of the securities is approximately $11,000,000 of preferred and common stock out of a total value of about $13,500,000 of such stock outstanding.

A notice will be sent to shareholders within the next few days, advising them how to proceed with the deposit of their shares. The notice will be accompanied by a form of option, in order that shareholders may elect which of the two offers that have been submitted they desire to accept. These offers are:

(a) Forty dollars in cash and $70 of preferred stock in the new company that will be formed by the purchasers to take over Quebec Pulp and Paper Mills, Ltd.

(b) Twenty-one dollars cash and $100 in new preferred stock. This refers to the exchange for Quebec Pulp and Paper preferred, carrying 50 per cent. bonus of common stock of that company. As regards holders having no bonus common stock, they will be entitled to receive at their option $100 of the new preferred stock for a like amount of old, or $20 in cash and $70 in preferred.

OFFICIAL DENIES SALE TO A. & P. BY DOM. STORES

(Continued from page 1)

according to report, has been negligible. The independent grocer has been the sufferer. The presence of another chain has further inculcated the chain-store buying habit of housewives. Dominion Stores, it is said, has been able to maintain its volume of sales and it is asserted that there has not been much price-cutting.

May Seek New Capital

There is something in the minds of certain interests connected with Dominion Stores. But a hint has not come of the exact intention. There are several guesses, aside from the obvious guess that A. & P. were buying Dominion.

Dominion Stores has been following an expansion program for several years and it is known that this year was to have seen a greater increase in the Montreal area than elsewhere. The advent of A. & P. in the field undoubtedly accelerated the Dominion Stores program of expansion in the Montreal area beyond the point where earnings would take care of expansion.

Expansion beyond the point where earnings would meet the expenditure would require further financing. The last time Dominion Stores wanted new capital shareholders were given the right to subscribe for treasury stock at $40 the share.

Winnipeg Electric and Manitoba Power Both to Issue Stock

By Staff Correspondent.

WINNIPEG. — Official announcement was made by A. W. McLimont, President of the Winnipeg Electric Company and of the Manitoba Power Company, of the issuance of additional common stock of both companies. The stock will be offered to present shareholders of both companies on particularly advantageous terms. Mr. McLimont also announced that the earnings of the Manitoba Power Company are already such as to warrant the declaration of a dividend and that it is the intention of the directors to shortly declare it.

Forty Thousand shares of Winnipeg Electric Company's common stock will be offered to shareholders of the company on record at the close of business on October 15, at the price of $60 per share, on the basis of four shares for every 11 shares held by shareholders of record as of that date.

In connection with the Manitoba Power Company, a special meeting of shareholders is called for November 10 to consider and approve a bylaw increasing the authorized capital stock of the company from 100,000 to 200,000 shares of no par value, it is the intention of the company to issue 50,000 shares of this stock to shareholders at $60 a share, in the proportion of one share for each two held by them, and to retain the other 50,000 shares in the treasury for future requirement.

The statement regarding Winnipeg Electric points out that the new capital is needed: "To enable the company to keep pace with the rapidly growing demand of the territory which it serves, extensions and improvements to the property, which will be reflected in increased earnings, must be made from time to time."

Regarding Manitoba Power the statement is made:

"Three 28,000 horse power units are in operation at your Great Falls plant and the installation of the fourth unit of the same capacity is practically completed. Power contracts have been obtained for sufficient power to load the four units, and to take care of new business it is necessary to provide for the installation of the fifth and sixth units to complete the plant in the near future, and it is the intention of your board to make these last two units of 40,000 horse power each. You will be interested to know that for the eight months of 1927, the output of the Great Falls plant showed an increase of 128 per cent., compared with the same period of last year, and your directors are pleased to report that the earnings of the company are already such as to warrant the declaration of a dividend on the 100,000 shares at present outstanding, and it is the intention of the board to declare this dividend shortly."

Montreal Curb Market Grows Rapidly in Year

Nearly 2,500,000 industrial and utility shares and more than 12,000,000 mining shares were traded on the Montreal curb market in the twelve months ended September 30th. Bonds to the value of $3,360,800 changed hands on this market. The following summary shows the rapid growth of this new Canadian market since its organization a year ago:

Month	Stocks Shares	Mines Shares	Bonds $
October	30,645	642,977	371,900
November	77,706	719,248	626,200
December	86,094	1,657,296	254,800
January	155,365	1,896,143	431,500
February	124,245	692,893	316,100
March	137,434	755,823	145,400
April	317,148	711,084	295,000
May	348,677	817,737	270,800
June	322,817	856,005	83,900
July	115,554	764,204	228,300
August	253,785	1,766,441	83,900
September	488,594	1,347,638	153,000
Totals	2,458,064	12,627,489	3,260.800

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$100 Par Value

The Cumulative Preferred Stock is fully paid and non-assessable: preferred as to capital and dividends; redeemable in whole or in part at the Company's option at $110 per share and accrued dividends; in the event of liquidation is entitled to par and accrued dividends together, if such liquidation be voluntary, with a premium of 10% of the par value; dividends payable quarterly on first day of February, May, August and November, the first dividend to accrue from August 1st, 1927. Transfer Agent: Royal Trust Company, Montreal. Registrar: Montreal Trust Company, Montreal.

CAPITALIZATION

	Authorized	Issued
First Mortgage Gold Bonds	$5,000,000	$2,750,000*
7% Cumulative Preferred Stock	5,000,000	1,700,000
Common Stock (No par value)	100,000 shares	50,000 shares

*Series "A" 6%, due 1947.

For information regarding these Shares Geo. Barr, Esq., Managing Director of the Company, summarizes his letter, in part, as follows:

COMPANY AND PROPERTIES: Canadian Vickers, Limited, incorporated under the laws of the Dominion of Canada in 1911, owns and operates a floating dry dock and shipbuilding plant at Montreal and having acquired, in 1923, the Phoenix Bridge & Iron Works, Limited, is also engaged in the production of industrial and mining machinery, structural steel, aircraft and kindred products. Messrs. Vickers, Limited, of London, England, has agreed to give to the Company a first refusal of any licenses, patents, secret formula, processes or inventions which Vickers, Limited, may desire to exploit in Canada.

The plant of the Company, situated on the harbour front in the easterly part of the City of Montreal, covers an area of approximately twenty-eight acres, the major portion of which is held under agreement of lease from the Harbour Commissioners of Montreal, and the balance under fee simple. This lease runs for a further period of at least thirty-four years and is subject to extension, by mutual agreement, for a further period of forty years.

The annual rental payable in accordance with the terms of the lease amounts to $7,500 plus an interest in profits but in no event exceeding a total rental of $25,000 per annum.

The Company's floating dry dock is of steel construction, has a lifting capacity of 22,500 tons and is capable of docking the largest ship now coming to Montreal.

The structural steel plant is one of the largest of its kind in Canada.

The industrial engineering plant is equipped to manufacture turbine and reciprocating marine engines and boilers, heavy plate work, including penstocks, sulphite digesters, steam accumulators, cement tube mills, coal pulverizers, etc. It holds the Canadian rights to manufacture the Kidwell water-tube boiler and Ljungstrum air pre-heater.

About seventy aircraft have been designed and have been or are being built by the Company.

DOMINION GOVERNMENT SUBSIDY: Under a contract entered into, in 1913, with the Dominion Government pursuant to the "Dry Dock Subsidies Act," the Company receives from the Dominion Government an annual subsidy of $105,000. This contract provides under its conditions for the annual payment of this subsidy over a further period of twenty-two years from January 1st, 1927. The Company has, under the Trust Deed securing the bonds, irrevocably assigned these annual cash payments to the Trustee as security for the payment of the interest and otherwise as security for the bonds.

ASSETS: The buildings, plant and equipment, after depreciation, including land and leases but not goodwill, are valued by Messrs. Coverdale & Colpitts, Consulting Engineers of New York, as at January 26th, 1927, at $6,105,000.

The Dominion Government subsidy which calls for twenty-two annual payments of $105,000 each, a total of $2,310,000, has not been included in arriving at this valuation.

The audited balance sheet of the Company as at February 26th, 1927, after giving effect to present financing and the changes now being made in the Company's capital structure, shows net current assets amounting to $1,226,824.

Fixed assets plus net current assets total $7,331,824, or, after deducting the amount of Series "A" bonds now outstanding, $269 per share of preferred stock presently issued.

EARNINGS: Net earnings for the Company's fiscal year 1926, after deducting all operating charges, maintenance and repairs, available for dividends on the preferred stock, depreciation and income tax, as certified by Messrs. Macintosh, Cole & Robertson, Chartered Accountants, were $369,933, being over 3 times requirements.

Certified profits on the same basis as above for the period commencing 1st January, 1927, and ending 10th September, 1927, which includes a majority of the more inactive months of the Company's year, were $246,000, equal to an annual rate of $20.90 per share of preferred stock.

The business of the Company continues to show a steady increase in volume and it is confidently expected that there will result a material growth in net earnings.

The Company will now be wholly owned in Canada and will receive the benefit of a policy controlled by Canadian Directors and shareholders.

Price par and accrued dividend, with a bonus of 2½ common shares with each ten shares of preferred.

Fractional common shares will be adjusted at $25 per share.

These shares are offered for sale when, as and if received by us and subject to legal approval of Counsel.

Drury & Co
Hanson Bros.
R. A. Daly & Co.
McLeod, Young, Weir & Co., Ltd.
James Richardson & Sons, Ltd.
Murray & Co.

STATEMENTS WHILE NOT GUARANTEED ARE BASED UPON INFORMATION WHICH WE BELIEVE TO BE RELIABLE

Oct. 7, 1927.

THE FINANCIAL POST

Member Audit Bureau of Circulations
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TORONTO, OCTOBER 7, 1927

A GHASTLY PRELUDE

THE terrible tragedy in a Toronto home, in which three people were killed as a result of an explosion, presumably of gasoline carelessly used for cleaning purposes, was a ghastly prelude to Fire Prevention Week in Canada. Only a few weeks before, the Ontario Fire Marshal had distributed, at the Canadian National Exhibition hundreds of pamphlets on fire prevention in the home and in these the dangers of using gasoline without taking due precautions had been emphasized. Truly educational work in fire prevention must continue and upon an enlarged scale if the fire demon's exactions upon mankind are to be lightened.

The Financial Post this week, for the third successive year, devotes a special supplement to the work of fire prevention. It sincerely trusts that its readers will study the articles in that supplement carefully, recalling as they do such tragedies as last Saturday's accident in Toronto, the Laurier Theatre fire, and even the minor fires in their own neighborhoods that help to run our annual fire bill to over $100,000,000 yearly.

Fire prevention is essentially a personal matter. Our attitude toward fires is too callous. When we begin to realize that every fire anywhere in Canada costs each one of us something in dollars and cents then we may give more thought to ways and means of reducing fire loss.

VERY GOOD OR VERY BAD

THE great Steele, somewhere in one of his essays, said that the state of marriage was the nearest approach to heaven or hell attained on this earth. Investment trusts are much like the state of marriage. Like the little girl who

"When she was good,
She was very, very good,
And when she was bad,
She was horrid."

investments trusts may be very, very good or very, very bad. This has been brought out on several occasions in these columns, when this new instrument in investment has been under discussion. It has just been emphasized before the annual convention of the Investment Bankers' Association of America in the report of a special committee appointed to study investment trusts. The report sets out that investment trusts range all the way from carefully managed corporations that invest their shareholders' and bond holders' money with great discretion and on the soundest lines to "blind pools" which, under the guise of investment trusts, use their shareholders' money for stock market speculation.

Investment trusts need not be cut to a pattern. Generally, though, the soundest ones will adhere fairly close to the lines of the great English or Scottish trusts, which have developed, over half a century of experience, the best lines of procedure to follow. What is most important is that the high reputation of investment trusts generally should not be used in an unworthy manner by promoters of financial organizations that do not measure up to standards that can fairly be set for investment trusts.

MILLENIUM UNREACHED

TO READ in American and British papers some of the accounts that are published of the work of the Canadian wheat pool one would judge that the pool had brought the millenium to the Canadian farmer. The wheat pool has been a fine stabilizing factor in Canadian agriculture, but it is not the economic paragon that occasional commentators would lead their readers to believe.

The Index, published by the New York Trust Company, writes about the Canadian wheat pool in discussing the problems of American agriculture. It says, "The pool sells the wheat only as it is needed and extraordinary fluctuations in price are eliminated." That the pool sells wheat only as it is needed is a statement that seems to suggest that the pool waits for foreign buyers to come after pool wheat. But it is in no such commanding position in world wheat to enable it to do so. It sells, as would any private trader, when it thinks it is best to sell and it has even been known to buy wheat in the market to support the price. It has certain high ideals of orderly marketing, but the wheat pool managers are shrewd enough to sell when they think they can get the best price and that is all there is to the theory that they sell when wheat is needed.

"Their method gives the farmer the benefit of the prices paid by the consumer, through elimination of the middleman," says the Index. This is Socialistic twaddle and if the writer of the New York Trust Company's monthly letter were to write similarly about any commodity except an agricultural commodity he would be promptly fired by his superior officers. The wheat pool has eliminated no middlemen. It has merely transferred its selling activities largely to an elevator system and a Central Selling Agency established by itself. We say largely, because they still use and must continue to use grain marketing machinery controlled by private interests. The pool has transferred much of its business from one set of middlemen to a group of middlemen that it has erected itself, and experience to date has not proven that the cost to the farmer of marketing wheat through the pool middlemen is one cent cheaper than the cost of marketing it through the machinery formerly existing.

The sum of the wheat pool results is simply this: the wheat pool gives a better deal to the farmer than did a few unscrupulous grain dealers and elevator operators who, in the earlier days, robbed the farmer. But it does not do as well for the farmer as the great majority of the grain companies whose business methods are and always have been above reproach.

CHOOSE YOUR TRAIN

RAILWAY transportation will never fall behind so long as railway men add new ideas to their work, ideas that mean better service for passengers or shippers; ideas similar to the newest one of the Pennsylvania Railroad.

On the Pennsylvania, shippers can now schedule their shipments on specified trains. This does not apply to all freight trains but to a sufficiently large number to make the innovation interesting.

The Pennsylvania has published in pamphlet form for the convenience of shippers and consignees a compilation of information regarding these freight trains between important points on its own lines and junction points with connecting railroads.

The pamphlet contains schedules showing the different trains serving each city and the approximate time of arrival, such as "next morning," "next noon," "second morning," third morning," etc., following delivery of the freight to the railroad station at the original point of shipment.

Railroads are 100 years old but they can still advance in spirit and service.

IMPORTANT TO CANADA

CAN big business be too big? It has often been clearly demonstrated that size has nothing to do with a corporation's sense of honor or public duty. A corporation is not necessarily a public menace simply because it is a large corporation. In fact, the larger a corporation the greater is its opportunity for public service. And as a corollary the greater is the need for a high sense of public duty on the part of its directorate.

More immediate than the danger of size becoming a public menace because of lack of proper ideals in management is the danger of size becoming a menace through financial instability developing because of too rapid growth. A large corporation's growing pains are likely to have an unfavorable public reaction in many ways.

To step outside of Canada for a minute, let us consider what would be the effect if the General Motors Corporation were not financially sound and were to suffer a set-back in its gigantic expansion programme. With over five hundred million people depending upon the General Motors and its affiliated corporation and dealer organizations for their daily wage or salary and another few hundred thousand depending upon the income from investments in these units, a financial reverse would be a serious thing for the entire United States and would shake the structure of business and investment in that country. Fortunately, General Motors is almost shock-proof and it is probably not because of financial weakness but rather because of financial strength that the Federal Trade Commission on the other side has unofficially hinted to General Motors that it must not attempt to acquire too many more interests.

The International Paper Company is rapidly becoming Canada's largest industrial corporation. Although largely American in control it has absorbed paper and power plants covering a vast area of Canada. Canada need not fear any foreign domination of her resources as a result of this expansion. But Canada hopes that it is sound expansion; that the International is buttressing itself against any possible turn in the tide of its affairs. The International Paper Company has become too important a factor in Canadian industry and finance for this country to contemplate with equanimity anything but a prosperous International Paper Company.

Fortunately the company has management as excellent in action as it is expansive in its ideas. May that situation continue. Someone has said International Paper will either be the biggest corporate success or the biggest corporate failure Canada's leading industry has ever seen. Canadians would prefer to see International Paper advance more slowly in this country if such action would increase the odds in favor of success, odds that fortunately are much in favor now.

NAMES NOT ENOUGH

AMONG the features that ornament prospectuses are the names of such individuals and institutions as lawyers, banks, transfer agents, trustees, etc. In the case of certain classes of promotions there is no doubt that security salesmen utilize the prestige value of the names on the prospectuses in the sale of the stock, even though the appearance of these names represent no endorsement by their owners. An instance may be quoted:

An industrial corporation sold a bond issue. From the proceeds of the sale it set apart a sum sufficient, with compound interest, to retire the bonds at maturity. This was deposited with a trust company for safe keeping. The bonds were then sold by stock salesmen with the implied understanding that they were guaranteed by the trust company. The trust company was ignorant of this carefully guarded assurance. In fact, the principal of the bonds was virtually guaranteed, to be returned in twenty years but the interest was not guaranteed and as the company was a very shaky one there was every prospect that the bondholders would have to go without any return on their money for twenty years. The guarantee of the trust company meant little in such a case.

More frequently, of course, the trust company's name appears only as transfer agent, registrar or trustee under a bond issue. It assumes no responsibility for the issue, and merely undertakes for a fee to do certain clerical or administrative work that can better be done by a corporation than a private individual. But ignorant investors are often given to believe that the trust company, whose name appears, is in common manner endorsing the project being financed.

Investors should not take the name of a bank, trust company or legal firm, appearing on a prospectus, or even the name of a firm of auditors as a guarantee of the safety of the issue in question nor as a guarantee of the accuracy of any statement in the prospectus unless directly signed to that statement.

AN UNNECESSARY THEFT

IT IS no small asset that Chicago seeks to steal from the Lower Great Lakes. The "Windy City" seeks to divert 10,000 cubic feet per second of water. It is now taking 8,500 cu. ft. per second for drainage purposes and 1,200 cu. ft. for consumption, and no serious effort is being made to stop it from doing so, during the present interval of investigation, buck-passing and political struggle.

That 10,000 cu. ft. per second of water, as has often been pointed out, is equivalent to the water flowing over the American Falls at Niagara Falls. Its economic value can be measured in another way. If allowed to flow to the Atlantic ocean, as it should, it would fall some 300 feet at Niagara and nearly 200 feet on the St. Lawrence. Harnessed at these points, 10,000 cubic feet per second of water with such heads would generate about half a million horsepower of energy, worth at least $7,000,000 a year, and replacing over four million tons of coal annually.

Chicago draws that water from Lake Michigan and pours it into a drainage canal that carries it to the Mississipi laden with a city's filth and refuse. Chicago claims that it could not safely pour the sewage-steeped water back into Lake Michigan.

Admittedly the health of a large city of 3,500,000 people is of such importance that its essential needs in water for consumption and water to provide for sewage disposal must be met even if other communities suffer in an economic way. But Chicago can not back up its claim that it needs 10,000 cu. ft. per second of water to protect the health of its citizens.

Independent investigations have proven these facts to be true:

Chicago wastes water in its domestic consumption, a waste that could largely be eliminated by metering.

Chicago wastes water in sewage disposal. It has failed to erect treatment works that would eliminate the necessity for such a large flow of water into the drainage canal.

There seems to be little doubt that Chicago will continue to draw some water from the Great Lakes that will not be returned to the lake. But Canada is right in insisting first that the amount of this diversion should be greatly reduced by whatever works are necessary, and that we should continuously have allowance made, in our own diversions for power and other purposes, for the water used by Chicago.

FOLKS and Finance

WHEN Frank P. Jones steps out of active management of the Canada Cement Company, he will be worth millions, practically all of it money that he made out of the company. He made the money by giving the company such excellent management that its common shares, originally bonus stock, acquired a value, in the opinion of those who are buying the company, of $250 a share.

When Frank P. Jones was asked by Max Aitken to take over the job of running the Canada Cement Company, he was offered a salary of $50,000 a year and was given, it is said, an option on 15,000 shares of stock at $5 a share. Assuming that Mr. Jones took up this option and even if he never added another share of Canada Cement stock to his holdings, he will receive well over $3,000,000 for his stock and for which he paid $75,000 out of his first few years' salary. But the one man who more than any other, made that stock worth $250 was the man who benefits so much by its advance.

POST-Scripts

THE Financial Post has no housekeeping page but it does not need to have one to publish the recipe for Christmas pudding that the Empire Marketing board intends to publish in British papers. The King's Chef, Mr. Cedard, "with Their Majesties' gracious consent" has supplied the Marketing Board with a recipe for a pudding made up entirely of British products. Here is the recipe but it will be of no value in prohibition provinces:

5 lbs. of currants—Australia.
5 lbs. of sultanas—Australia.
5 lbs. of stoned raisins—South Africa.
1½ lbs. of minced apple—Canada.
5 lbs. of bread crumbs—United Kingdom.
5 lbs. of beef suet—New Zealand.
2 lbs. of cut candied peel—South Africa.
2½ lbs. of flour—United Kingdom.
2½ lbs. of demerara sugar—West Indies.
20 eggs—Irish Free State.
2 ozs. ground cinnamon—Ceylon.
1½ ozs. ground cloves—Zanzibar.
1½ ozs. ground nutmegs—Straits Settlements.
1 teaspoonful pudding spice—India.
1 gill brandy—Cyprus.
2 gills rum—Jamaica.
2 quarts old beer—England.

AN ENGLISH newspaper syndicate tried to sell The Financial Post a weekly service telling about the movie stars. But we did not buy it. There were several reasons. One is that our readers are probably glad to have one paper on their list in which they do not have to read insipid gossip about movie-folk. Another is that news about the film stars could probably be had more directly from Hollywood than from London. And thirdly, the first sample letter sent out states that Mary Pickford was born in England. The weakest members of The Post's editorial staff could throw a stone from the office window to Mary Pickford's birthplace.

LONDON, England, stock brokers, financial writers, use nick-names for the stocks they trade in or write about to a greater degree than Canadians would ever dare to do. Probably one reason is that the names of British corporations are likely to run to greater average length than the names of Canadian corporations.

The Englishman speaks of "Bats" when he means British American Tobacco; "Consols" for Consolidated debentures; "Brums," "Westerns" and "Berwicks" for three of the home rails, only one of which suggests its title in its ordinary corporate name; "Artsilks" for the rayon group; "Wagon lits" for the International Sleeping Car Corporation; "Johnnies" for shares of one of the big diamond mines; "Cepea" for the Calico Printers' Association; "Jagers" for Jagersfontein Diamond Mining Corporation; "Tanks" for Tanganyika Diamond Mining Corporation.

The Englishman always speaks of shares in the plural; the Canadian in the singular. In this country we say that Montreal Power moved up; in London the financial writer would declare that "Power's" moved up. Probably though he would coin an even more distinctive name for the company and speaks of its shares as "Holt's" or "Monpo's."

In the Mail

Norwegian Consul Objects

The Editor, The Financial Post,

In The Financial Post for September 16th, 1927, I have found an article entitled: "Wider Market for Cod Oil is Planned; Empire Marketing Board Investigates Newfoundland Industry."

In this article it is stated that there has been brought to the notice of the Imperial Economic Committee, who recently arrived in St. John's, the fact that Newfoundland is the only place in the Empire producing cod liver oil of the very highest quality, and that every effort should be made to develop this industry, more especially as the greatest scientific experts have pronounced Newfoundland oil ten and twenty times more valuable than that of the Norwegian, which at the present time, monopolizes the British market.

The statement is wide of the mark, and in order to enable you to ascertain for yourself how much truth there is in it, I beg to enclose for your perusal an article by Professor E. Poulsson, Professor of Pharmacology, University of Oslo, on the "Selection of Cod Liver Oils for Medicinal Use." This article was published in "The Lancet," London, on February 6th, 1926. Professor Poulsson has for years made a study of the vitamin contents of Norwegian cod liver oil as compared with Newfoundland cod liver oil, and the results arrived at are based on incontestable scientific data.

You will note that he has compared 12 samples of Newfoundland oil with 30 samples of ordinary Norwegian cod liver oil bought openly at various chemists. You will also note that the comparison is not to the disadvantage of the Norwegian cod liver oil.

Professor Poulsson has stated that experiments show that with regard to growth producing properties the Norwegian cod liver oil and the Newfoundland cod liver oil are exactly equal. He sums up his experiments with the statement that "Oils from Newfoundland and Norway are equal as regards contents of vitamines and variability."

LUDWIG AUBERT,
Consul-General of Norway.

Montreal, Sept. 29, 1927.

Book Reviews

Well Bred English

Language is as much an element of business as it is of social life. Every person who is interested in attaining business success must be interested in improving his speech, broadening his vocabulary, and heightening his sensitiveness to the right word at the right time.

In "Well Bred English," Lillian Eichler, author of the "Customs of Mankind" and the "Book of Etiquette," tells how to choose words and how to pronounce them correctly. It is in some respects an elementary book; this makes it more valuable for the ordinary young man or woman in business. It is no treatise on the origins of our language nor is it an English grammar. Its broad comprehensive yet not too technical covering of the subject makes it of considerable practical value. Of course, being a Lillian Eichler work, it is interesting and easy to read.

The volume shows an inclination to choose the American rather than the English authority where there is difference in habit or usage. This may offend the occasional purist, particularly the ever-present Americanophobe, but in Canada we are ready to accept any authoritative pronunciation, whether Harvard or Oxford, so long as it is not offensive. Good taste in language is more than a matter of nationality.

"Well Bred English" is published by McAinsh & Company, Toronto, at $2.50.

Other People's Views

Municipal Ownership Dying Out

Public Service Magazine, Chicago: One of the most conspicuous economic trends of the times is the gradual, persistent passing of municipal ownership, From now on it will be faster than it has been in the last five, ten or fifteen years, largely because of the developments of interconnection. It is impossible for separate isolated plants to compete with the combined resources of many plants brought together by this system of interconnection. Town after town is to-day discovering the advantages of interconnection and as fast as possible giving up the handicap of municipal ownership. This is simply the logic of progress and you can't hold progress back by either a flood of oratory or a mountain of propaganda.

Where Next?

L'Evenement, Quebec.—It is contended that Mr. Larkin has as much importance in London as Mr. Massey has at Washington. The same thing can be said of Mr. Roy at Paris. Recourse is frequently made to them to settle problems when diplomacy is necessary. The services that Mr. Larkin and Mr. Roy have in turn rendered qualify them for the honors their friends claim for them. There is no reason to refuse them treatment which shall be at least equal to that accorded to Mr. Massey, who entered his present career long after both Mr. Larkin and Mr. Roy entered theirs. Afterwards it will be necessary, we suppose, to satisfy the legitimate ambitions of Mr. Stephens, who is expected at Berlin, and may wish to be recognized as Canadian ambassador to the German Republic. Later on we may have to find another good candidate to fill the position of Canadian ambassador to Italy.

As Others See Us

Roger Babson Advertises Canada

Calgary Herald.—The Financial Post, of Toronto, which consistently displays a well-informed interest in Western Canada, thinks that Roger Babson has been broadcasting some good advertising for this country. It comments upon a speech that Mr. Babson recently delivered which was widely quoted in the United States. Here is what Mr. Babson said to an audience in the Middle Western States, in the heart of the American wheat fields:

> "If I were a farmer, I would not raise wheat in this country, where wheat land costs $200 an acre, but rather in Canada, preferably Calgary, where good wheat land, not fifteen miles from the Calgary city hall, can be bought for $15 an acre."

The Financial Post doubted the truth of what Mr. Babson said. It made inquiries from eastern mortgage companies lending in Alberta, and ascertained that good land well located and suitable for growing wheat can be bought for $15 an acre cash.

This, of course, is not general, but the best wheat-growing land in the world can be bought in Alberta at prices so far below land in the wheat-growing states as to cause one to wonder why more American farmers do not sell out and come to this province. They would find, also, that besides being so much cheaper, Alberta land is far more productive of high-class wheat than their American holdings.

INVESTMENT SECURITIES

Which Do You Need Most:
Security?
High Income Return?
Marketability?
Speculative Possibilities?

It is not economy to buy what you have no use for.
Consult us freely.

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Skirts, Stockings, and $120,000

Sydney Record: Sometimes Milady's fashion whims make a good deal of money for makers of apparel. And sometimes they don't. The Toronto Financial Post cites a case in point on the latter side, and tells a story of a Canadian company which lost $120,000 through a change in style. This company does not manufacture women's skirts but shorter skirts cost it the big loss, none the less. The company makes stockings and, some months ago, had on hand a large stock of silk hose with cotton tops. All was well and business good until skirts became shorter. "When skirts rose to the knee—and above—no careful flapper allowed herself to be seen with silk stockings that were silk for only a portion of their visible length. . . . The cotton-topped stockings had to be thrown on the market at sacrifice prices. And it meant a loss of $120,000 to this one company."

An inch or so less material in skirts, and 120,000 nice, crinkly dollar bills gone. Dame Fashion is a fickle lady, and prone to be expensive in more ways than one. But the incident is interesting as indicating how a seemingly trifling thing may mean the difference in business between comfortable profit and heavy loss. No wonder business men sometimes become gray pretty quickly.

"Stop Me If You've Heard This One"

The movie exhibitor had just insured his theatre against fire. As he signed his name he turned to the insurance agent and asked:

"What would I get if my theatre was to burn down to-morrow?"

"Oh, I should say about ten years," replied the insurance man, nonchalantly.

Safeguard Your Savings

By proper investigation before you invest—

The resources of the statistical Department of this house and of our correspondents in Toronto, New York or London, Eng., are at your disposal—

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

New England Trust

What do you think of New England Investment Trust shares?

The shares of the New England Investment Trust appear to be a long hold proposition for a business man. Over a term of years the shares should appreciate. Moreover, reactions may come in the New York market and this would certainly affect the price of the stock.

French Line

Do you think French National S. S. Lines, 6 per cent. bonds, due May 1, 1952, a satisfactory investment?

Your French Line bonds are not only a direct obligation of the company but are also guaranteed by the French Government. The issue provides a very satisfactory yield and there has been a price appreciation since you made your purchase. We regard the bonds as a very satisfactory investment.

Dryden Paper

What is the position of the Dryden Paper Company?

The Dryden Paper Company's position is improving. Operating earnings are increasing with the increased demand for kraft paper in Western Canada. It seems that all danger of the company's passing into the hands of the bondholders is a thing of the past and no doubt in due course negotiations will be entered into with the bondholders leading to the liquidation the arrears of interest.

It may be some time though before the company again passes back into the control of the shareholders.

Brompton Paper

Tell me something on the common shares of the Brompton Pulp and Paper Company, please.

In the past, the failure of Brompton common stock to appreciate in value has proved something of a disappointment to the shareholders. But Brompton has excellent wood resources and with the completion of its new newsprint mill, earnings are increasing. Moreover, the company has sold its entire output of newsprint and does not therefore have to search out markets for its output. Thus, we believe that the common shares in the company would prove a satisfactory long hold purchase for a business man. Ultimately, we look for price appreciation in the shares.

High Grade Bonds

Write me a word or two please regarding the purchase of sound bonds. What are the yields and so forth?

You can pretty well judge safe and sound investment bonds by the yield. For instance, Montreal Tramways 1955 bonds at the present time yield 5.2 per cent. to the investor. Bonds of the larger and stronger public utility companies are all satisfactory investments. You will find though, that the yield will be in line with the yield from the Montreal Tramways bonds.

In the industrial field the 1929 bonds of the Canada Cement Company are selling at a price to yield the investor 5.54 per cent. The Wayagamack 6's of 1951 change hands at about par and yield the investor about 6 per cent. On the highest grade bonds you cannot obtain a yield at the present time of over 6 per cent.

The gilt edged issues ore all changing hands at around 5 or just over 5 per cent.

The Alberta Pacific Grain Company, Limited

6% First Mortgage Bonds, due 1946

The Alberta Pacific Grain Company, Limited, has, with its predecessors, successfully carried on a general grain business since 1902. It is one of the largest grain elevator companies in Western Canada.

As at June 30th, 1927, the Company's balance sheet showed fixed and net current assets in excess of $8,000,000, as against $3,412,500 of 6% First Mortgage Bonds. For the year ended June 30th, 1927, net earnings after depreciation were $800,857, or nearly 4 times the annual interest requirement of the bonds now outstanding.

We recommend these bonds for investment at—

100 and accrued interest, to yield 6%

Descriptive circular on request.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal.
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

J-83

FIVE YEAR BONDS

Five years is the usual term of a mortgage. "Canada Permanent" Coupon Bonds are issued for the same period, bearing interest at

FIVE PER CENT.

per annum, payable half-yearly.

Investors in these Bonds receive their interest the day it is due. Those who, to obtain a slightly higher rate, lend on mortgage security not only cannot be sure of prompt payment of interest, but have to see that buildings are kept insured, taxes paid and attend to many other details the omission of which might jeopardize their investment.

Please let us send you full particulars of "Canada Permanent" Bonds which are a recognized high-grade security and a legal investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 TORONTO STREET TORONTO
Established 1855

Mount Royal Hotel

Would you advise me to buy a few more shares of the Mount Royal Hotel Company preferred so that I could average up from the price which I paid for my holdings?

The position of the Mount Royal Hotel Company seems to be steadily improving and, we understand, earnings are increasing. Therefore, we believe that ultimately the preferred shares of the company will sell at higher levels.

However, the preferred shares do not look particularly attractive to us and we believe that there are other securities more attractive at the present time. The preferred shares in the company are a very long hold proposition, we believe.

Diversified Securities

Do you consider Diversified Standard Securities a good buy?

If the Diversified Standard Securities had on its board one or two men with an outstanding record of successful investment management behind them, we would regard the shares as an extremely attractive business man's purchase. As it is, we regard the stock as a long hold purchase for a business man. There is no real market for the issue at present although it is intended eventually, so we learn, to list the shares. Should you desire to sell the shares at the present time the investment house sponsoring the issue will purchase the stock. The securities in which this new investment trust is interested have a very satisfactory and successful market record behind them.

Richmond Building

Would you be good enough to give your opinion of the bonds of the Richmond Building, Ltd., as an investment and security?

Richmond Street Building is still in the process of construction, and with no record of earning ability, it is difficult for us to classify this bond.

The following may help you in deciding the worth of these bonds:

First, the company has a desirable piece of land in the down town business district of Toronto. There is need of good office accommodation and they should have no trouble in renting the greater proportion of the available space.

Second, they are well backed financially.

Third, they have a favorable rental lease with the city on the property on which the building is being constructed and on which they have an option to purchase at the end of three years. This is a valuable feature.

Fourth, if the rentals come up to their expectations, earnings will be more than sufficient to pay interest and sinking fund requirements on these bonds.

Higher Bond Yield

Will you kindly let me have your opinion as to the advisability of disposing of $1.000 of C.P.R. 4½ per cent. bonds of $100 denominations for Pt. Grey bonds, $500 denomination, paying 5 per cent.?

I am a working man and bought these bonds in hundred dollar denominations as I was able to save the money.

I am not a business man and, therefore, ask you for advice as to what I had best turn my bonds into to get a higher rate of interest and be safe.

You will find difficulty in securing a first rate government bond issue yielding you a much higher return than that which you are now securing from your 4½ per cent. bonds of the Canadian Pacific Railway, namely, 4½ per cent.

Switching to the Point Grey bonds would only give you one half of one per cent. more. We would suggest that if you are still anxious to secure a higher rate of interest on your money that you switch to a good industrial bond. The following companies whose earning record have been proven or have other features which would strongly recommend them, have outstanding bonds which would be suitable for your requirements—Canadian Vickers 6's yielding 6.10 per cent., Massey Harris 5's yielding 5.35 per cent., Provincial Paper 5½'s yielding about 5.90 per cent., Hayes Wheels & Forgings 6's yielding about 6 per cent., United Securities 5½'s yielding 5.50 per cent.

Any of the above bonds would give you a good degree of safety combined with a good yield spread over a long period.

Montreal Island Power

What is your opinion as to the advisability of investing in Montreal Island Power 5 per cent. bonds?

While the plant of the Montreal Island Power Company will not be completed and be delivering power until the end of 1929, yet because of the strong interests behind the company we believe the bonds are a satisfactory purchase. The company is controlled by the Power Corporation of Canada and Montreal Light, Heat and Power Consolidated interests. The latter company is to purchase the output of the plant.

With the anticipated growth of the city of Montreal and the surrounding territory, it can be anticipated that ultimately Montreal Power will absorb the entire electrical output of the Montreal Island Power Company's plant. Thus eventually the common shares of the company should appreciate in value. The bonds carry a stock-purchase warrant which allows the holders to purchase two shares of common at $40 per share for every $1,000 bond. The rights to purchase must be exercised before May 1, 1929.

The real strength of this issue seems to us to lie in the successful record behind those who initiated the project. Coupled with this, of course, is the company's contract with the Montreal Light, Heat and Power Consolidated whereby that company will purchase all the power from the development for a period of thirty years. The power is to be absorbed in specified annual installments until the entire capacity is purchased.

Investment Trust

What is your opinion of the shares of the Canadian General Investment Trust as an investment?

I do not see the shares listed. Are they all common shares? Have any dividends been paid? What is the selling price of the shares? And from whom?

Would there be a market for the shares in case I wanted to dispose of them at some future date?

The Canadian General Investment Trust organized this year, is managed by a representative group of Canadian business and public men. Authorized capital is $10,000,000 divided into one hundred thousand common shares at par value of $100 each. Of this total, we understand, about $2,000,000 to $2,500,000 has been issued to date.

The shares of this Trust are not listed. No effort has been made to create a market for them. The Canadian General Securities are handling the sale of the stock which is being sold at par. In case a shareholder wishes to liquidate his holding, this company will purchase the stock back at par. Of course, the company cannot be expected to continue this policy indefinitely, but we understand for the time being, they are purchasing any stock offered at the issuing price.

A net interim dividend of 3 per cent. semi-annually for the period ending June 30, 1927, was paid to the shareholders on July 1st last.

Deforest Phonofilm

What information can you give me regarding the Deforest Phonofilm Company of Canada? In your opinion is the proposition one with any reasonable merit? What competition does the company experience? I should like to know also the full particulars of the shares and to what extent the company has profited by the sale of securities. As an investment what do you think of the stock?

The annual report of the Deforest Phonofilm of Canada, shows a revenue from rentals of $6,992. Expenses for the year amounted to $25,904. Thus the loss experienced during the period amounted to $18,912. This covered the year ending January 30 last.

The balance sheet as at that date shows that the company is not in a liquid position—with current assets of only $532 against current liabilities at that date of $6,689. The balance sheet also shows a deficit of $26,386 in the profit and loss account.

At the end of January the balance sheet showed that the company had outstanding a total of 78,724 shares. Of this total 63,292 shares went to pay for patent rights and franchises. The remaining 15,432 shares were sold to net the company $81,718, apparently.

The company is alone in its particular field, as it employs the principle of photography in reproducing the voice. Other methods of making motion pictures speak have been devised, but, to date, none has proved successful.

We learn from those connected with the company that it is under no financial obligations at present and that during the past summer it has been showing its pictures in theatres in the Maritime Provinces.

From the foregoing, you will see that the Deforest Phonofilm of Canada is still in a development period. One of our representatives has seen the Deforest talking-motion pictures, and undoubtedly the company's processes and patents have great merit.

There are probably great possibilities in this field, but whether the Deforest Phonofilm of Canada will be able to cultivate them successfully or not, we do not know. Other companies have tried without success.

Furthermore, you will recall that it took a great many years for the motion picture industry itself to educate—or to degrade— public taste up to—or down to—moving pictures. Before talking moving pictures become really successful the public will also have to be educated to this new development in the field. This would probably take many months, if not many years.

While the Deforest system works well, it is our opinion that the investor in the long run makes more money by keeping clear entirely of new development propositions of this, or a similar character. It is only one in a hundred, or to be more exact, one in ten thousand that makes good. As a speculation the shares of the company look anything but attractive to us.

Shawinigan Power

Will you please give your opinion on Shawinigan Common. Do you think it better to sell now, or do you think the stock will still appreciate in value? There does not seem to be anything in the present dividend rate to justify its high market price, so I am inclined to think that it is over valued and will drop again.

If there were a general market reaction there is no doubt that Shawinigan shares would also decline. The shares, in selling at their present level, are as always discounting the future of the company.

But presuming you sell your Shawinigan stoek, with the market at its present level you would have a hard time reinvesting the funds in other securities which are as attractive as Shawinigan.

Montreal Power is another stock which, like Shawinigan, gives every indication of appreciating over a term of years. Like Shawinigan it also pays $2 annually per share, but usually changes hands just a few points higher than Shawinigan stock.

Whether or not Shawinigan goes up or declines a few points within the next six months will not alter the ultimate satisfactory outlook for the company.

Therefore, if you are willing to hold this stock over a term of years we think that in the long run you will obtain materially increased market prices for your holdings.

Shawinigan is an ably-managed company and serves the important St. Lawrence Valley territory of the province of Quebec. With the growth in the province, Shawinigan will be able to increase its earnings power. Therefore you can regard the shares as a satisfactory long hold investment.

When Women Invest

One Had Heard of Gains From Mining Stocks, But Never Losses; Two Individual Problems Discussed

A Weekly Feature.

Picture a timid little woman in a somewhat old-fashioned hat entering a bustling brokerage office. One of the younger, yet experienced, men in the office took time to interview her.

It seemed that the lady had been reading of gains made by investment in mining stocks. Some of her friends had been making money. She had decided to take $300 from the savings bank and buy some mining stock. Then, in a little while, her $300 would be worth $600 and she would be happy.

It was all very rosy for the lady. But the young man in the brokerage office thought he detected a flaw in the arrangement which the lady had not seen. Had the lady thought of the possibility that she would lose her $300? She had not. Her friends had said nothing of that phase of the situation and the Sunday supplements which she had been buying on Saturday nights had failed to emphasize the point.

"I, too," said the young man, in effect, "have $300 which I would like to put somewhere where it would grow soon to $600. I have known of the stock market for fifteen years and have been taking little flyers ever since I was chalking the quotations.

"But, alas, I am still working at a salary, because I have been in the habit of losing almost as often as I gain."

"Can you afford to lose your $300?" he asked the woman.

She said that she could not and decided, forthwith, that the savings bank was, after all, the best place for money she could not afford to lose.

Regrets it Later on

And later on, when she sees certain mining stocks at higher prices than those at which she proposed to buy, she will blame the young man in the broker's office for telling her that she might lose.

Yet what else could a conscientious young man do in the circumstances?

Having a few hundred dollars which I could invest at present, but which I shall require later on, I venture to ask your opinion as to what mining or commercial stock I could invest it in profitably.

As appreciation in value is more important than dividends I had thought of Kirkland Lake or Abana, Hollinger or Teck-Hughes, but would value your opinion.

Would you advise the sale of Capitol Silver Mines even at a loss to re-invest in something more likely to increase in the near future?

If you have a few hundred dollars to invest, we think that you would be wise to avoid the mining stocks in general, more particularly the speculative mines. Buying mining shares is a speculation which often is successful and often not.

When Silver Comes Back

The question is whether or not you can afford to lose your few hundred dollars. If you feel that you can afford to lose, you may be justified in buying the speculative mines. Kirkland Lake and Abana are reputed to be good speculations. Teck Hughes is a producing mine, the shares of which probably will increase in value. Hollinger has not been doing very well in the market recently, and apparently no one is in position to judge when, or if this stock will come back to its former level.

You might be well advised to sell your Capitol Silver Mine in order to recoup your losses otherwise. Capitol Silver Mine will be a high cost operation if it gets into operation, and it will not be a producer until the price of silver increases materially. Eventually, the silver stocks probably will come back, but the holders of them will have to be patient.

We think that if you desire to conserve your capital, you would be wise to invest in such standard Canadian stocks as C.P.R., Bell Telephone, Montreal Power or Consumer's Gas, Toronto.

Facts affecting Stock Values

A letter devoted to discussing underlying factors affecting stock values is issued weekly by our Stock Exchange Department.

It also discusses current items of interest affecting individual companies, interprets balance sheet figures, etc.

You can obtain a copy of the current issue by telephoning, writing or calling.

Write to Dept. 4

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Members Montreal Stock Exchange
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QUEBEC 80 St. Peter Street

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Lacking in Pep?

Let me make a health analysis from your handwriting (character and vocational analysis included). Surprising as it may seem, your handwriting reveals much about your health.

Send specimen of handwriting to Psycho-graphologist, P. O. Box 701, Ottawa, Ont. Full fee $2.00. Prompt reply.

Editor's Note.—This journal testifies to the integrity of the above advertiser and to the scientific soundness of his delineations.

I beg to submit the following list of securities for your opinion. The revenue from this list is the whole income of a widow. What changes would you suggest which would not reduce income, at the same time improving the security?

$2,000 Fr. Steamship Bds. 6%, due 1952
4,000 Belding Corticelli, 5%, due 1936
5,000 Dom. Can. bds., 5½%, due 1934
1,500 Drummond Bldg., 6½%, due 1938
1,000 Prov. of Ontario, 6%, due 1930
2,500 Brompton, 6%, due 1946
1,000 Chomedy Apt., 6½%, due 1941.
3,000 Sherbrooke St. Realty, 6½%, due 1940.
160 shs. Belding-Corticelli, pfd., 7% stock
3 shs. Belding-Corticelli, com.
10 shs. So. Canada Power, pfd., 6%
20 shs. J. S. Mitchell, pfd., 7%.

It is difficult to suggest changes in this investment list which would improve the security without reducing the income..

On the whole, it is probable that the list will remain satisfactory from the viewpoint of the holder, and there seems no purpose in suggesting any radical or drastic changes.

Much in Belding

If any criticism can be expressed concerning the holdings, it probably relates to the fact that she has so large a proportion of her capital in the securities of Belding-Corticelli. This company is sound and we believe is in an improving position. At the same time, it may be questioned if a widow should hold the bonds, the preferred stock and the common stock.

It might be suggested that she sell some of the preferred stock in this company and buy instead one or more of the preferred stocks of certain other companies. The preferred stock of Ottawa and Hull Power is now selling at a price to yield 7 per cent. Winnipeg Electric preferred is selling to yield a little better than 6½ per cent. The preferred stock of St. Maurice Valley Corp. is selling to yield 7.21 per cent. The preferred stock of Cosmos Imperial Mills selling at slightly above par should be a highly satisfactory investment.

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CANADA

Sound Values

for your Safety Deposit Box

The following high-grade Bonds which have been selected from our current list offer an excellent opportunity for sound investment in readily marketable securities:—

	Due	Price	Yield
Dominion of Canada 4½'s	1940	99.30	4.57%
Dominion of Canada Guaranteed 5's (Issued by Canadian National Railways)	1954	104.00	4.73%
*Commonwealth of Australia (External) 5's	1957	98.00	5.12%
*Province of Ontario 4½'s	1944	99.25	4.55%
Canadian Pacific Railway Co. 4½'s	1944	98.00	4.70%
*Cuba Northern Railways Co. 5½'s..	1942	97.75	5.73%
*Canada Steamship Lines Ltd. 6's..	1941	100.00*	6.00%
*Gatineau Power Company 5's	1956	97.50	5.16%
†*Montreal Tramways Company 5's..	1941	100.00	5.00%
†*Saxon Public Works, Inc. 6½'s ...	1951	99.00	6.58%
*Consolidated Water Power & Paper Co. 5½'s	1947	97.00	5.75%
†*Pennsylvania-Dixie Cement Corp. 6's	1941	99.75	6.03%

* Listed on New York Stock Exchange.
† Principal and Interest payable in New York Funds.

The above Bonds are offered subject to prior sale and change in price. Further information regarding any issue and a copy of the current edition of our publication "Investment Securities" will be forwarded upon request.

Write our nearest office.

The National City Company
Limited

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204 Blackburn Building OTTAWA
71 St. Peter Street QUEBEC

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German State Mark Loans Being Called for Exchange

Mark loans of German states (e.g. Hambourg, Bremen, etc.) cities, municipal and similar associations, may be offered for exchange into a new "Loan Liquidation Debt," in accordance with the German law of July 16th, 1925, at the rate of 25 Reichsmark for 1,000 marks face value of the old loan, provided that the loan was issued prior to January 1st, 1919. For loans issued after December 31st, 1918, Reichsmark 25 loan liquidation debt will be granted for each mark 1,000 gold value of the old loan. The gold value will be calculated on the basis of the value which the debtor received through the issue of the loan. Goldmark 500 is the minimum amount of bonds which can be accepted for revaluation.

Both, old holders (i.e. owners since prior to July 1st, 1920) who have neglected to deposit their bonds under the old possession procedure, and new holders (i.e. owner since June 30th, 1920) may deposit their bonds under the above conditions between October 1st, 1927 and January 14th, 1928. Bonds not filed within the said time limit become void, and no longer represent any claims against the debtor.

Applications must be filed through any bank in Germany or at the National City Bank of New York, New York, where blanks and other papers may be obtained.

Not to be considered as state loans are such loans of states which have been taken over by the Reich, as for instance, Prussian Consols, which had to be deposited under a previous procedure.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo.-Ft. Erie Bridge 7s '55.....	107½	109
Do., 8s '45	107½	...
Buff. Gen. Elec., 1st 5s '39.....	104¾	...
Bfo N & E Pow 5s '30........	102	104
Lockport L H & P 5½ '54.....	102½	104

We Offer—

A. E. Staley Manufacturing Company

FIRST MORTGAGE 15-YEAR 6%
SINKING FUND GOLD BONDS

Due September 1st, 1942

This company is the second largest manufacturer of corn products in the United States. Total assets are 2.83 times the first mortgage bonds issued.

Net earnings, before deduction of bond interest, federal taxes and depreciation reserves for the five years and six months ended June 30, 1927, averaged annually $1,620,835, equal to 4.50 times the annual interest requirements on the present issue and for the year 1926 such net earnings were equal to 7.60 times the said interest requirements.

It is expected that application will be made to list these bonds on the New York Stock Exchange.

Price: 99 and accrued interest

Circular on request

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CANADIAN PACIFIC BUILDING TORONTO
MONTREAL LONDON HAMILTON OTTAWA

News of Investment Markets

SHAWINIGAN BONDS ROSE A POINT AS SOON AS OFFERED

$35,000,000 Issue is Sold on Yield Basis of 4.75%

From Our Own Correspondent.

MONTREAL.—The announcement of a new bond issue of $35,000,000 of the Shawinigan Water & Power Company by a syndicate headed by Aldred and Co., and including Wood, Gundy and Co., The Royal Bank of Canada and the Bank of Montreal, at the lowest yield given by any Canadian utility bond in many years is indicative of many things.

It points to the extensive and almost incredible expansion of the hydro development companies of Canada, amongst whom Shawinigan stands foremost. The bonds which are first mortgage and collateral trust sinking fund gold bonds are being offered at 95.50 and accrued interest to yield over 4.75 per cent.

The Canadian investor will be offered the opportunity to subscribe to $11,000,000 of this issue and the remaining $24,000,000 will be placed on the United States market.

The low yield rate at which the bonds are being offered would indicate the increasing cheapness of money and the large sums the investment bankers believe available for investment. The rate is the lowest in many years on a public utility of this nature, but the general public has become so educated to the great future foreseen in the hydro electric field, and for the Shawinigan Water and Power Co. in particular, that the issue is being received with much enthusiasm.

Rose at Once to Premium

The bonds although issued at 95½ received a bid of 96⅜ immediately upon being placed on the New York market. Although the issue of the Shawinigan bonds follows closely on that of several major issues, its success would appear assured by the keen demand which is already apparent.

The maturing of 1927, 5½ per cent. Victory bonds, and Dominion of Canada three year notes will place some $100,000,000 available for investment in November and December next. This together with an anticipated bumper crop would indicate that there is no dearth of money available for investment and that the Canadian investor is quite capable of absorbing any sound financial offerings holding good investment prospects which the Canadian investment banker may place before him.

The question arises, however, whether the average small investor will be attracted to such public utility bonds with such a low yield, when he may obtain higher rates of interest on first mortgage loans or on government or municipal bonds offering more attractive rates for his money.

Bought Big Corporation

The answer as to who will therefore be attracted to such an investment may possibly be indicated by the increasing demand for high grade bonds which is being made by industrial and other corporations who have adopted the policy of building up strong reserves. This policy places these companies in a very strong liquid position and enables them to provide for the possible lean years or depressed business conditions which they may have to face in the future. Such bonds as this issue are attractive to them.

Another source of demand for such bonds may be located in the investment trusts which have been steadily growing in strength and popularity of late. They are fast gaining the reputation of being eager buyers of high-grade securities, and are reputed to be manned by efficient research staffs capable of analyzing each public offering and determining the actual worth and possibilities of the securities placed before the public.

Provides $9,000,000 New Capital

The proceeds of the issue, together with the proceeds of 100,000 shares of capital stock, will be used to retire all the present funded debt of the company, aggregating $26,392,500 and to supply more than $9,000,000 to defray the costs of additions, improvements and acquisitions to the company's property.

Of the total issue of $35,000,000 part will be offered in the United States.

The financial structure of the company will be considerably simplified by the new programme of financing as it will now have but one class of bonds and one class of stock. Its entire funded debt will be comprised by the present bond issue and there will be 1,200,000 shares of capital stock outstanding of an authorized issue of 1,600,000 shares.

$35,000,000
Shawinigan Water and Power Co.
First Mortgage and Collateral Trust Gold Bonds Series A, 4½%

Dated October 1, 1927 Due October 1, 1967

Business—Large producer of hydro-electric power. Owns and controls through contracts with subsidiary and affiliated companies after powers and hydro-electric power in Quebec province aggregating over 1,000,000 horse power, of which 650,000 is developed and now in use. Company furnished power to 227 communities, comprising substantially all the large manufacturing districts in Province of Quebec.

Capital—
Funded Debt:
First Mortgage and Collateral Trust Sinking Fd. Gold Bonds $35,000,000
(Authorized $200,000,000) $35,000,000
Capital Stock, one class, without par value (authorized 1,600,000 shares) .... 1,200,000 shares

Purpose of Issue—Proceeds of these bonds, together with proceeds of 100,000 shares of capital stock, will be used to retire, through call, all present funded debt and balance to defray cost of additions, improvements and acquisitions.

Security—First mortgage on lands, rights water powers, dams, power houses, and transmission lines now owned; by pledge of certain mortgage bonds of electric and manufacturing companies now controlled; and by floating charge on all other present and future assets.

Assets—Total book value of properties to be covered by these bonds will be more than $50,000,000, of which more than $40,000,000 will comprise properties on which these bonds will be a direct first mortgage and more than $10,000,000 will comprise first mortgage bonds of controlled companies.

Earnings—Net earnings of $4,813,730 for 12 months ended August 31, 1927, were more than 3 times the $1,575,000 annual interest requirements on this issue.

Sinking Fund—1 per cent. per annum.

Offer—Aldred and Co., Wood, Gundy and Co., Royal Bank of Canada and Bank of Montreal, at 45½ and accrued interest, to yield over 4.75 per cent.

Chain Store Bonds Offer 6.05% Yield

From Our Own Correspondent

MONTREAL.—Greenshields and Company and Hanson Brothers are offering $1,100,000 Metropolitan Corporation of Canada, Limited, first mortgage sinking fund, six per cent. series "A" gold bonds. The bonds will be sold at 99 and accrued interest yielding 6.05 per cent. The major portion will be offered in Canada and the balance of the authorized issue of $1,300,000 has been withdrawn for sale in the United States. The bonds are dated Oct. 1, 1927, and due Oct. 1, 1947. The purpose of the issue is to retire certain indebtedness against properties of the Metropolitan Corporation of Canada and for the acquisition of further properties. Particulars of the issue were given last week.

Fraser Companies Sell More 1st Mortgage Bonds

From Our Own Correspondent.

MONTREAL.—Further financing by Fraser Companies, Limited, is announced in the additional issue of $1,664,500, 6 per cent., first mortgage sinking fund, series "A" gold bonds, which are being offered by Royal Securities Corporation and Wood, Gundy & Company. The price of the new issue is 102 and accrued interest, to yield over 5.80 per cent. This brings the first mortgage issue to $7,664,500.

The money secured by the sale of this issue will be devoted, along with the proceeds of last week's sale of $5,000,000 debentures, to financing extensive additions to Fraser Companies' principal plant at Edmundston, N.B., and to that of its subsidiary, Fraser Paper, Limited, at Madawaska, Maine. The work is now under way and will be completed during 1928. When the work is completed, the company will have doubled its present capacity for production of finished high-grade sulphite paper and pulp products. The mills will then have attained a total capacity of 130,000 tons per annum of high-grade sulphite paper and pulp products. Power for the operation of the additional unit to the Edmundston mill has been obtained under long term contract from the International Paper Company's Grand Falls, N.B., hydro electric power plant now under construction. The power will be brought to Edmundston over the Fraser Companies' own transmission line.

The company recently sold $5,000,000 of debentures prior to this issue.

$1,664,500 Fraser Companies, Limited
6% First Mortgage Sinking Fund Gold Bonds
Dated Jan. 1, 1925 Due Jan. 1, 1950

Capitalization—

	Authorized	Outstanding
6% 1st mtge. bonds ..	$10,000,000	$7,664,500
6½% 15 year debs. ..	6,000,000	5,000,000
7% cum. pref. shs. ...	3,000,000	2,325,000
Com. shs., no par val.	312,000 shs.	300,000 shs.

The Company—Is one of the leading manufacturers both of high grade pulp and sulphite paper and lumber in eastern Canada. The timber limits controlled amount to more than 4,500 square miles and in addition the company owns 13 sawmills in Quebec and New Brunswick. It owns the Stetson, Cutler Company, which further augments the company's annual output of lumber.

Purpose of Issue—Partially to finance the expansion programme and to erect a high tension power transmission line, 40 miles in length, to Grand Falls, N. B.

Assets—Equal to $3,046 for every $1,000 bond.

Earnings—Earnings during the current year are running at the rate of at least 3 times the annual interest requirements of the present issue without allowing for depreciation and depletion charges. The earnings will increase with the almost 100 per cent. increase in the company's plant now under way.

Offered—Oct., 1927, by Royal Securities Corporation and Wood Gundy and Company, at 102, to yield 5.80 per cent.

VICKERS PREFERRED STOCK IS OFFERED

Proceeds to Retire Balance of Debentures and Create Working Capital

From Our Own Correspondent.

MONTREAL.—An offering of $1,700,000, seven per cent. cumulative preferred shares of Canadian Vickers Limited is being made this week to the Canadian investment public.

This stock offering follows closely on the issue of $2,750,000 first mortgage bonds, the purpose of which was to retire a portion of some $3,500,000 debentures outstanding against the company's property, callable Feb. 1, 1928. By means of the new stock issue the company will be placed in a position to retire the entire amount of outstanding debentures.

In addition to its shipbuilding and repairing plant, the company is engaged in the manufacture of turbine and reciprocating marine engines, and boilers and heavy plate work, including penstocks, sulphite digesters, steam accumulators, cement tube mills and coal pulverisers. Its structural steel plant is one of the largest in Canada. It is also engaged in the construction of aircraft about fifty of which have been designed and have been or are being built.

Particulars of the issue follow:

$1,700,000
Canadian Vickers, Limited
7% Cumulative Preferred Shares.

Company—Incorporated in 1911, owns and operates floating dry dock and ship building plant at Montreal and having acquired in 1923, the Phoenix Bridge and Iron Works, is also engaged in the manufacture of industrial and mining machinery, structural steel, aircraft and kindred products.

Capital—

	Authorized	Issued
1st mort. bonds.....	$5,000,000	$2,750,000
7% Cum. Pref. Stock	$5,000,000	$1,700,000
Com. Stock (n.p.v.)	100,000	50,000

Subsidy—Under "Dry Docks Subsidy Act" company is given an annual subsidy of $105,000. Contract expires in 1949.

Assets—Buildings, plant and equipment, after depreciation, including land and leases but not goodwill, are valued as at January 26, 1927, at $6,105,000. Government subsidy not included in this statement. Net current assets, after giving effect to present financing, amount to $1,226,824 as of February 26, 1927.

Earnings—Net earnings for the company's fiscal year 1926, after deducting all operating charges, maintenance and repairs, available for dividends on the preferred stock, depreciation and income tax, were $369,933, being 3 times requirements.

Offer—By Drury and Co., Hanson Bros., R. A. Daly and Co., McLeod, Young, Weir and Co., James Richardson and Sons, and Murray and Co., at par and accrued dividend, with a bonus of 2½ shares of common with each ten shares of preferred. Fractional common shares will be adjusted at $25 per share.

NATIONAL CEMENT

From Our Own Correspondent

MONTREAL.—At the annual meeting of the National Cement Company the directors were authorized to take what steps were necessary to liquidate and wind up "National Cement Incorporated 1923" as soon as possible. This was the company taken over by National Cement when the latter company was organized in 1925.

St. Maurice Valley Bonds Well Received in London

Following the recent offering of $2,000,000 first mortgage and collateral trust bonds, series "B," of St. Maurice Valley Corporation, there has been offered on the London market $1,700,000 of $5 par value shares of the 7 per cent. cumulative preference stock of the corporation. The offering was made by a group of financial houses composed of Wood, Gundy and Company; Andrew Holt and Company; and Kitcat and Aitken. A cable received announced the successful outcome of the new offering of preferred stock. The London market was already familiar with securities of St. Maurice Valley Corporation, as a large block of registered debenture stock found ready acceptance at the time the first mortgage and collateral trust 6 per cent. bonds of the corporation were offered late in 1925, when Belgo and St. Maurice newsprint plants were brought together under one control. The gratifying result of the preferred stock offering in London is attributed to the increasing favor accorded strongly sponsored Canadian securities in the London market.

SOUTHERN CANADA POWER TO PAY $4 ANNUAL DIVIDEND

(Continued from page 1)

generated at this station by two units of 3,000 h.p. each, and two of 6,000 h.p. each. In addition to these two large plants, the company, through its subsidiaries, owns power plants on the Magog River, at Sherbrooke; at Foster, on the Yamaska; St. Cesaire and Ste. Hyacinthe; Kingsbury, on the Salmon; Ayers Cliff, on the Negro; Waterville, on the Coaticook; North Hatley, on the Massawippi; East Angus, on the Eaton, and Rock Island, on the Tomofobia. These plants are used as auxiliaries to the main plants on the St. Francis, and generate a total of some 5,000 h.p.

Other Sites

The company possesses four other power sites on the St. Patrick River, with a potential development of some 140,000 horsepower. As the need arises, these deposits of "white coal" will be brought into production.

Southern Canada Power at the present time is furnishing 10,000 h.p. from its Hemmings Falls plant to the Shawinigan Water & Power Company for service of the latter's customers in the Thetford Mines area.

As has been said, the development of cheap power by the company has resulted in the springing up of industries, the growth of small villages into prospering towns and flourishing cities, and a consequent increase in the consumption of the company's power.

In every sense of the word, Southern Canada Power Company has lighted the way for the expanding industries and growing towns of the Eastern Townships, and its growth and their growth have kept pace. The company represents the merging and consolidation of practically every electric system in the Eastern Townships. This having been realized, the company has been able to dispense with the individual steam-driven electrical plants, and has tied up their individual power lines with one or other of its hydro-electric stations.

Serves Wide Area

The linking up of the the different systems acquired by the company, and the extension of its power lines into municipalities not previously served, has resulted in the establishment of over 325 miles of low tension distribution lines with which it serves over 20,000 customers.

Its customers are located in over 93 communities, in a district comprising some 5,000 square miles and possessing a population of over 400,000. The company's customers have grown from 2,260 in 1914 to over 20,000 at the present time.

The company's plant investment has grown from $10,300,000 to some $16,900,000. This does not include the power rights, concessions and franchises owned by the company. Despite an increase in net profits from year to year, the management has pursued the policy of ploughing back a substantial amount for depreciation each year. In 1924 this amounted to $410,000, and since that time an annual deduction of ten per cent. from gross earnings has been made.

The progress of the company has also been reflected by a rise in the value of its stock. Southern Canada Power has some 48,750, 6 per cent., cumulative, preferred stock of a par value of $100, and some 60,000 shares of no-par value stock outstanding. The capital stock which was quoted at around 104½ in 1924 is now selling at about 106, while the common has jumped too from about 73 in 1924 to around 109 at the present time.

The increased dividend is the fruit of the conservative policy pursued by the management in making strong reserves from net earnings to be turned back into the property. This has tended to keep the dividend rate down, but at the same time has ensured the maintenance of the company's property at a high state of efficiency. There is but little doubt that such a sound programme cannot but have a beneficial effect on future earnings.

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COURT MAY ACT QUICKLY IN NEW ACTION ON STEEL

Question of Appeal to Privy Council Now Before Judges

It is thought probable that the court in banc at Halifax will decide without delay whether or not to permit Dominion Steel Corp. to appeal to the privy council, the decision of Justice Chisholm appointing Royal Trust Co. liquidator for Dominion Steel Corp., holding company for Dominion Coal Co. and (formerly) for Dominion Iron & Steel Co. Dominion Iron has been controlled by National Trust Co. as receiver for about a year.

The application for leave to appeal to the privy council followed the dismissal of the appeal from Justice Chisholm's ruling appointing the liquidator for Dominion Steel Corp. Four judges of the Nova Scotia supreme court, sitting in banc, divided equally on the correctness of Justice Chisholm's ruling. Counsel for the steel corporation immediately gave notive of application for leave to appeal to the privy council.

In Court For Year

The case has been before the Nova Scotia court since early this year, when National Trust Co. as receiver for Dominion Iron & Steel Co., a subsidiary of Dominion Steel, and as trustee for bondholders, petitioned the court for a winding up order for both Dominion Steel Corp. and British Empire Steel Corp., on the ground that by the appointment of a liquidator the interests of the various classes of security holders could be best served. After some delay, the court denied the petition in the case of Besco itself, and after some further delay, granted the order in the case of Dominion Steel. Besco, besides being a holding company for Dominion Steel (which in turn was the holding company for Dominion Iron and Dominion Coal) was the holding company for Nova Scotia Steel & Coal and various smaller companies.

The case has attracted wide public interest because the future of Nova Scotia's principal industrial activity is involved, and because of the battle for proxies between the management of the companies and the National Trust Co. and its associates. In most of the trials of strength with proxies it was apparent that the management was the stronger force, but there have been indications recently, it is reported, that many shareholders were changing their attitude on the questions involved.

Newbec Results Encouraging

Results at the Newbec Mines, Limited, situated west of the north end of Dufault Lake, continue decidedly encouraging. The test pit which was put down on a narrow surface showing is down 20 feet. Chalcopyrite was encountered at a depth of five feet and this has widened out at depth.

At a depth of 17 feet there was a six-foot width of good high-grade ore, and this continues to widen. This was in two sections, separated by some rock. This rock, however, was disappearing at depth, and when the pit was down 20 feet it had gone altogether, leaving a solid section of high grade.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	97	98
Abitibi P. & P. 6s, 1940	104¼	105¼
Algoma Steel 5s, 1962	33	35
Alberta Pac. Grain, 6s, 1946	97⅞	98¾
Bell Telephone 5s, 1955	102	102½
Belgo Can. Paper, 6s, 1943	102	102½
Brandram-Henderson, 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	85	89
Brompton P. & P. 6s, 1946	99½	101
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	93⅝	94⅜
Calgary Power 5s, 1940	92¾	93¾
Canada Biscuit, 6½s, 1946	100½	102
Canada Lt. & Pr. 5s, 1949	93¼	94
Can. Nor. Power, 6s, 1941	101	102
Can. Paperboard 7s, 1937	98½	101
Can. Steamships 5s, 1943	99¼	99¾
Can. Steamships 6s, 1941	99½	100
Can. Steel Foundries, 6s, 1936	105¾	107
Davies, Wm., 6s, 1942	93	94
Dominion Iron 5s, 1939	32	35
Dominion Pr. and Tr. 5s, 1932	97¾	98½
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price 6s, 1966	105½	106
East Kootenay Pr. 7s, 1942	103¾	104½
Elec. Development 5s, 1933	100⅜	101⅛
Famous Players 6½s, 1943	99	100
Fraser Co. 6s, 1950	99⅝	100½
Gatineau Power 5s, 1956	97¼	97½
Gatineau Power, 6s, 1941	100¼	100¾
Howard Smith P. & P. 6s, 1941	103¾	104¼
International Paper 6s, 1941	103¾	104¾
King Edward Hotel 7s, 1944	91	94
Lake Superior P. & P. 6s, 1941	105¾	106½
Laurentian Pr. 6s. 1936	103¾	105
Laurentide Pr., 5½s, 1946	101½	102½
Maritime Tel. & Tel. 6s, 1941	104½	105¾
Manitoba Pr. 5½s, 1951	101¼	101⅞
Mercury Mills 6½s, 1942	102	103
Mont. L. H., & P. 5s, 1951	100½	101
Mont. Pub. Service 5s, 1942	99⅜	99⅞
Nor. Ont. L. & P. 6s, 1946	100¾	101⅜
Nor. West Utilities 7s, 1938	99¾	100½
Nova Scotia Steel 5s, 1959	68	69
Nova Scotia 6% Debs.	28	32
Nova Scotia Tram. 5s, 1946	92½	93½
Nova Scotia Tram. 7s, 1952	99¾	100½
Ont. Pulp & Paper 6s, 1931	108¾	110
Ottawa Hull Pr. 6s, 1948	103⅝	104¾
Ottawa L., H. & P. 6s, 1953	104½	105¾
Ottawa Mont. Pr. 6½s, 1949	103¼	104
Ottawa Trac. 5½s, 1955	101½	102¼
Ottaw River Pr. 6½s, 1953	102¼	103
Port Alfred P. & P., 6½s, 1943	104	105
Price Bros. 6s, 1943	103⅞	104⅝
Prov. Lt. Pr. 5s, 1946	100½	101½
Rio Tramways 5s, 1935	96⅛	96½
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper 6s, 1946	96⅞	97⅝
St. Maurice Valley 6s, 1945	99¼	100¼
St. Maurice Pr. 6½s, 1953	107⅛	108
Shawinigan W. & P. 6s, 1950	104¾	106
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	99¼	99⅞
Spanish River P. & P. 8s, 1941	106¾	107¼
West Kootenay Pr. 6s, 1943	103⅝	104¾

Mr. Killam's Opportunity for Leadership

By J. B. M.

THE purchase of the Mail and Empire by Isaac W. Killam, Royal Securities Corporation, Montreal, successful financier, former bank clerk and son of a Yarmouth, N.S., merchant, is an event of major importance, more especially if he is personally to assume the active direction. The paper has suffered for years from absentee ownership, outside financial control and uncertainties as to its future; and the Ontario Conservatives in particular and the people of the province generally have lacked a strong, intelligent press leadership.

Mr. Killam has come through the ups and downs of a very strenuous financial career, with much wealth and with a creditable reputation, which is saying a good deal for a promoter. He bears a record indicating vision, imagination, intelligence, courage and a sense of responsibility to his clients, the buyers of his securities.

Can Be National Institution

A paper like the Mail and Empire should be not only a great party journal but a national institution. It should give its party leadership. It should be respected for its character; followed for the wisdom of its policies, and feared for its courage. It is possible for the Mail and Empire to be all this and in addition be a great factor not only in Ontario but in Canada in the development of the country and its people.

Mr. Killam, with his wealth, with his unusual qualities and experiences, with the Mail and Empire as a medium and a great Canadian province as its field, with the present political situation and its bearing on the future of Canada and of the Empire, is given a rare opportunity for great achievement.

To the qualities and experiences mentioned Mr. Killam brings a still further asset. He comes from a province where they have a sense of proportion, where the progress and prosperity of the people are the objectives of the press and political leaders; where class, religious and racial prejudices are not capitalized for political ends; where success is not yet a crime as it is in Ontario, and where big business has a sense of fairness to the public and a responsibility to its customers and to its shareholders.

I write as a native of the province who has also lived in, worked in and know the United States, the Maritimes, Quebec and Europe, and I am very confident in writing that never before in its history has Ontario been so favorably situated for going forward on sound lines, creating a people and a prosperity second to none anywhere in the world.

Ontario's Fine Stock

Few men knew Canada from the Great Lakes to the Atlantic as did the late Hugh Chisholm, founder of the International Paper Company. Few men were better able to appraise the people. I heard him once tell a group of British, German and United States financiers that Ontario had the greatest basic stock in the world—U. E. Loyalist and the pick of the best British and German—frugal, hard-working, resourceful, intelligent.

But these people have always suffered from lack of constructive leadership. It seems to me that until now parties never came into power on their merits, but on their prejudices and fanaticisms. It seems to me that Ontario is for the first time in its history united back of a prime minister, who is working with and holding the sympathy of practically the whole people, much as individuals may differ from him in petty questions. Equally satisfactory is it to find the Globe, once famous for its bitter opposition to Catholicism, French-Canadianism and protection, under Mr. Jaffray and his new editor, Mr. Anderson, now exhibiting a spirit of fairness to these interests, strongly Liberal but British and Canadian first.

Industrial Ontario has shaken itself free of the clique who seized, controlled and misrepresented the policies of its manufacturers, and has eliminated them. Those industrialists who went to the West last summer, under the wise guidance of the president, John F. Taylor, Guelph, presented Eastern industry in its proper light to the farmers of the prairies, who had been snubbed and estranged. They were received with the sympathy and cordiality which The Financial Post has all along said existed in the West towards all fair-minded manufacturers of the East.

Less Corporation-Baiting Now

Promoters of electric and other public utility interests have learned that they cannot dictate to, cannot be offensive to their customers or the public for very long without bringing ruin to themselves and losses to their investors. Finally, there is even hope that the Toronto evening papers may yet learn that they cannot get large industries and capital if they persistently attack private enterprise. The loss of the Steel Company of Canada to Hamilton, the United States Steel Corporation to Windsor, and the headquarters of the Canadian National Railways to Montreal, and the loss of Ontario's dominant position in pulp, paper and power to Quebec have been mighty hard but well deserved lessons which have sunk into the minds of the citizens of Toronto and they no longer can be stirred up as they have been to sympathetic support of unjust attacks upon corporations in aldermanic or evening press appeals.

The one weak feature in the situation is a disunited opposition. If the Liberals and Progressives could get together and agree on a leader of Mr. Ferguson's or Mr. Taschereau's type a still healthier political condition would result.

This is the city, this is the province with its united outlook that is waiting for and will cordially receive a constructive press leader. This is Mr. Killam's opportunity.

Tenders and By-laws

Oct. 11, County of Peel—$30,000, 5 per cent. 10-instalment debentures. W. M. Willis, clerk, Brampton.

Oct. 12, Scarborough Twp.—$345,812, 5 per cent., 5 to 30 year debentures. J. T. Stewart, twp. treas., Birch Cliff.

Oct. 15, Regina Public School—$200,000, debentures. J. H. Cunningham, sec.-treas.

October 14, School—Municipality of Saint Tite, P.Q., $53,900, 5 per cent, serial debentures. J. B. Moussette, sec.-treas.

Oct. 24—Corporation of the town of Greenfield Park—$95,000, 5½% serial bonds. E. J. Allwright, sec.-treas.

Oct. 19—Town of Laval sur le Lac—$17,300, 5%, 15-year, serial debentures. Horace Gohier, sec.-treas.

Nov. 12, Township of Osnabruck—$7,458, 5%, 20-year debentures. Willis O. Sheets, clerk. (See announcement on page 16).

Oct. 20, Newfoundland — $5,000,000, 5 per cent. bonds due 1952. John C. Crosbie, Minister of Finance, St. John's.

SASKATCHEWAN

Authorizations Granted by the Local Government Board from Sept. 17 to Sept. 24, 1927.

Schools: Harvie, No. 4694, $2,500; Clyde, No. 875, $800; Gopherdale, No. 4729, $3,400; Brand, No. 4727, $3,000; Hopeful No. 4728, $3,000; Guernsey R. T. Co., $2,700; Manitou Lake R. T. Co., $500; Muenster R. T. Co., $7,000; Village of Waswota, $1,200.

Debentures Reported Sold

Val Marie, $800, 10 yrs., 6%, Nay & James, Regina; Lyndhurst, $2,000, 10 yrs., 5½%, Dr. W. Cook, Young; Lysenke, $4,500; 15 yrs., 5½%, Regina P. S. Sinking Fund; Glen Logan, $2,800; 15 yrs., 5½%, Regina P. S. Sinking Fund; Biggar Northern R. T. Co., $4,600, 10 yrs., 5½%, H. M. Turner & Co., Regina; Holyrood R. T. Co., $3,800, 10 yrs., 6¼%, H. M. Turner & Co., Regina; Banner R. T. Co., $250, 5 yrs., 6%, J. Sproat, Kipling; North Hazenmore R. T. Co., Ltd., $875, 15 yrs., 6%, J. T. Taylor, Regina; Daybreak, $1,950, 15 years, Houston, Willoughby & Co., Regina; Raymore Village, $1,000, 10 prs., 6%, Nay & James, Regina.

BRITISH COLUMBIA

A syndicate composed of Wood, Gundy & Company; A. E. Ames & Co.; The Royal Bank of Canada, and Pemberton & Son, Vancouver, was high tenderer for the $6,000,000 Province of British Columbia thirty-year and two-year bonds. The Province called for tenders for $3,000,000 of the thirty-year 4½% bonds and $3,000,000 two-year 4% or 4½% (alternative) bonds. It is understood that the figure submitted by the above-mentioned syndicate was high in each case, the Government accepting the bid for the thirty-year 4½% bonds and the two-year 4% bonds.

Accepted bids were 97.23 for the long term bonds and 98.86 for the short. Definite advice of other bids has not been received, but it is understood that bidding was close, the second tender having been 97.17 for the thirty-year issue and 98.83 for the two-year issue.

The bonds are payable as to principal and interest in the United States, as well as in Canada and as this is one of the few important Provincial issues to have appeared this year, it is expected that the bonds will be in keen demand in the New York as well as in the Canadian market.

BOND MOVEMENT OF THE WEEK

Week Ending October 4

Bonds	Int. Rate	Due	Yield	Range High	1926 Low	Range 1927 High	Low	Ask	Latest Price Bid	High	Low
Asbestos, gen. mtge.	6	1956	6.29	88¾	81¼	97⅞	88	96	95¼	96	.....
Can. Canners	6	1950	5.96	100	94	100½	96½	.....	100	100½	100
Canada Cement	6	1929	5.45	103	100½	102¼	100	.....	101½	101¼	.....
C. P Rly.	4½	1944	4.75	94¾	92¾	97	97	.....	.....	97	.....
Dom. Iron	5	1929	10.84	94	86	92	69	88	87	87⅝	87
Mexican Power	5	1940	7.34	71	67	80⅛	68⅝	81	80	80⅛	79¼
Mont. Trams, 1st mge.	5	1941	5.02	98½	93	99⅞	97⅞	99¾	99½	99¾	99½
Mont. Trams, "A"	5	1955	5.20	95	92½	97⅛	94¼	97	96⅝	97	96
Price Bros.	6	1943	5.58	103⅞	100¾	104½	104½	.....	.....	104½	.....
Quebec Rly.	5	1939	4.92	100	92	100⅞	96	.....	100⅝	100⅝	.....
So. Can. Power	5	1955	4.96	97¾	95¾	100½	99½	.....	.....	100½	.....
Steel of Can.	6	1940	5.25	107½	106	107½	106¼	.....	107¼	107¼	.....
War Loan	5	1931	4.45	102.40	100.35	102.00	100.75	102.00	101.75	101.80	101.65
Do.	5	1937	4.42	104.95	102.75	105.50	102.95	105.60	105.30	105.50	105.05
Victory Loan	5½	1927	4.75	102.50	100.15	101.70	99.85	100.30	100.10	100.15	100.00
Do.,	5½	1935	4.50	106.35	103.20	105.70	105.25	105.80	105.55	105.70	105.40
Do.	5½	1934	4.90	104.40	102.65	103.90	103.30	103.85	103.60	103.90	103.65
Do	5½	1937	4.47	109.30	106.70	109.40	106.85	109.60	109.30	109.40	109.15
Do., renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	100.25	100.05	99.90	.....
Do., renewal	5½	1932	4.80	103.90	102.00	103.55	101.85	103.10	102.90	102.90	102.75
Do., refund	5	1928	4.60	101.35	99.85	101.45	99.75	100.45	100.20	100.25	100.05
Do., refund	4½	1940	4.56	96.95	95.60	100.15	96.50	99.30	99.05	99.30	99.00
Do., refund	5	1943	4.66	102.80	101.00	103.90	102.30	103.85	103.60	103.85	103.40
Do., refund	4½	1944	4.55	97.15	95.70	100.10	96.60	99.45	99.20	99.45	99.30
Do., refund	4½	1946	4.52	96.90	95.65	100.30	96.70	99.55	99.30	99.75	99.30

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Drummondville Sch. Com.	Oct.	MacLeod, Young, Weir & Co.	5%	37-yr. Ser.	$110,000	99.67	—
Trafalgar Twp.	Oct.	A. E. Ames & Co.	5½%	20-yr.	19,663	105.08	4.90
Montreal Catholic School Com.	Oct.	Bell, Gouinlock & Co., and Fry Mills, Spence & Co.	5%	35-yr.	2,200,000	102.117	4⅞%
Saskatchewan Schools, etc.		Various	—	—	48,550	—	—

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Shawinigan Water and Power	Oct.	Aldred & Co., Wood, Gundy & Co., Royal Bank and Bank of Montreal	4½%	1967	$35,000,000	95½	4.75
Trail Apartments	Oct.	Royal Financial Corp.	6%	1947	40,000	97.16	6.25
Georgetown Coated Paper	Oct.	R. A. Daly & Co.	6½%	20-yr.	200,000	100	6.50
Fraser Co.'s	Oct.	Royal Securities Corp. and Wood, Gundy & Co.	6%	1950	1,664,500	102	5.80

Build Fibre Board Mill on Gatineau River

From Our Own Correspondent.

MONTREAL.—Although no official confirmation can be obtained, it is generally understood that an American fibreboard company, whose stock is largely controlled by the International Paper Company, contemplates the erection of a fibreboard plant on the Gatineau River. The plant will be located near the parent company's Gatineau mill, and will engage in the manufacture of different grades of fibreboard used as building material.

It is estimated that the cost of erection of the new plant will be some $2,500,000, and that more than 1,000 men will be engaged in construction work. The Fraser-Brace Construction Company, which obtained contracts for the erection of the International Paper Company's mill on the Gatineau, and the power development work of the Gatineau Power Company, will, it is thought, also receive the contract for the construction of the fibreboard plant.

The advent of this new industry to the Gatineau field, it is generally believed, will be followed by many others, as the knowledge of the large amount of power now available and the proximity of unlimited quantities of raw material become more generally known.

BROMPTON SELLS GROVETON MILL TO FORMER OWNERS

O'Dell Manufacturing Co. Take Over Company's New Hampshire Subsidiary

From Our Own Correspondent.

MONTREAL. — The sale of the Brompton Pulp and Paper Company's subsidiary, the Groveton Paper Company, Inc., at Groveton, N.H., to the former owners of the mill, the O'Dell Manufacturing Company, has had a favorable reaction on Brompton's stock. The sale was completed some three months ago, but news of the transaction is only now reaching the ear of the public. The O'Dell Manufacturing Company held all the bonds of the Groveton Paper Company, amounting to $1,550,000. The Groveton Mill was purchased by the Brompton Company toward the close of the war. It has not been operated at a profit of late and its non-success has been held responsible for the poor earnings of the parent company. The advance of Brompton Pulp and Paper Company's common stock to a new high level this week tends to confirm the idea that the sale has found favor with the investing public.

A decided improvement in Brompton's earnings, it is thought, will result and many anticipate an increase in the company's dividend at an early date. It is also reported that Brompton is entering into the manufacture of kraft bags and the entire output of the mill has already been contracted for. The daily average output of newsprint for the month of September was 108 tons. Last year the company earned $3.50 per share on its 14,000 shares of no par value common stock. With the sale of the Groveton mill in New Hampshire an accomplished fact, and the other mills of the company working at capacity, there is every indication that the year 1927 will prove one of the most satisfactory in the history of the company.

This Week's Bond Sales

Montreal Catholic School

An issue of $2,200,000, Montreal Catholic School Commission, 5 per cent., 35-year bonds has been sold to Bell, Gouinlock & Co., and Fry Mills, Spence & Co., on a bid of 101.117. The bids were:

Fry, Mills, Spence & Co., and Bell, Gouinlock & Co.	102.117
Hanson Brothers, Dom. Secs. Corp., A. E. Ames & Co. Le Clerc & Co., Banque Canadienne Nationale	101.43
Wood, Gundy & Co., Greenshields & Co., Royal Bank of Canada	101.43
Bank of Montreal, McLeod, Young, Weir & Co., Beaubien & Co.	101.09

Trafalgar Township

A. E. Ames & Co. were awarded the issue of $19,663 5½ per cent. 20 year bonds of the Township of Trafalgar at 105.08. The bids were:

A. E. Ames & Co.	105.08
Dyment, Anderson & Co.	104.40
Gairdner & Co.	104.17
C. H. Burgess & Co.	103.88

Drummondville

Montreal.—An issue of $110,000, 5%, 37-year, serial debenture bonds of the school commission of Drummondville were awarded to McLeod, Young, Weir & Co., Ltd., at 99.67. Tenders follow:

McLeod, Young, Weir & Co.	99.67
Versailles, Vidricaire, Ltee.	99.66
La Corporation d'Obligations, Ltd.	99.60
Mead & Co., Ltd.	99.31
Wood, Gundy & Co.	99.10
Dominion Securities Corp.	99.071
L. G. Beaubien & Co.	98.53
A. E. Ames & Co.	98.076
Dyment, Anderson & Co.	97.77
C. H. Burgess & Co.	96.67

REPORTED GENERAL MOTORS TO BUY FT. WILLIAM PLANT

(Continued from page 1)

the company's future were never brighter.

It is understood that a settlement of the company's claims for indemnity against Germany, may be made in the near future. The contract with General Motors has been secured and production is only being held up pending the advent of the new Ford car on the market.

While no official figures are available, it is stated that the company's earnings for 1927 are considerably ahead of those of 1926 and 1925. After the usual deduction for interest charges, depreciation, etc., it said there will be approximately $625,000 available for the shares; $525.000 of this will be appropriated to preferred dividends, leaving $125,000 for distribution on the common shares. There are some 49,750 shares of common stock outstanding which would make the earnings on the common shares equal to over $2 a share.

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First Mortgage Gold Bonds, 5%-1956
Capital and Interest (June and December) payable in Canada and in the United States, at the holder's option.
International Paper Company with its subsidiaries is the largest manufacturer of paper in the world and one of the largest holders of water powers in North America. Upon the completion of the capacity under construction and the sale for power purposes of all power to be produced, it is estimated that net earnings of the Company available for interest and reserves will exceed $6,000,000 per annum, or over two and three quarter times the annual interest requirements on the entire $43,500,000 First Mortgage Gold Bonds to be presently outstanding.
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James Richardson Plays Square Game

Great Grain Man of West Known for Good Sportsmanship on Field of Play and in Arena of Business

By FRANK H. AVERY.

Not so many years ago when "Jim" Richardson of Winnipeg played hockey for Queen's University, Kingston, Ont., the boys used to say of him that in addition to playing a good game, he played a "square" game. He was a good hockey player too, although in this he was excelled by his brother, George, and it was the latter who was the better known as an athlete. That reputation as a "square player" earned in his boyhood days has been carried by Mr. Richardson all through his business life and while he is now accounted one of Canada's rich men, he has earned his wealth shrewdly but not at the expense of his fellows.

The biographical sketches of Mr. Richardson call him James Armstrong Richardson, B.A. The same authority gives the date of his birth as August 21, 1885, so that while still a young man he heads one of the largest grain businesses in the world. And that is only one of his many activities. He is, for instance, a director of the Canadian Pacific Railway, the world's greatest transportation system. He is keenly interested in the development of commercial aviation and controls Western Canada Airways Limited, a first class flying venture, which now flies planes into two mining districts carrying passengers, mail and freight. He is financially interested in the development of Manitoba's natural resources. He also holds the presidency or directorship in numerous companies allied to the grain trade and in a number of others that are not. As if all these various interests were not enough to keep any ordinary man busy, it is but a short time ago, June 1 to be exact, that he took over the entire western Canadian leased wire system and the Winnipeg office of the American stock brokerage firm of E. A. Pierce and Company, and all its multifarious details.

Big, Physically and Mentally

One gathers the impression that Mr. Richardson must be a big man, and he is, both physically and mentally. All his many activities are controlled from a suite of offices on the tenth floor of the Winnipeg Grain Exchange and at the end of a long corridor he has his own private office, large, airy and comfortably furnished. From its windows an excellent view of the city is obtainable and as Mr. Richardson walks up and down this office thinking over some problem that has arisen, or dictating letters to a stenographer, he frequently pauses and looks out into space, across the Red River over into St. Boniface or over the roofs of the big commercial houses. And as he looks, his thoughts crystallize into words and the words produce swift action in many corners of the globe.

Commandeered By Government

And yet it is only slightly more than 20 years ago that as a stripling he entered the business established by his forebears before Confederation. It was in Kingston he was born and educated, graduating from Queen's university, and it was in Kingston that he entered the firm of James Richardson and Sons. In a year, however, his grasp of the business was such that he was sent to Toronto to take full charge of the office in that city. He remained there five years and in 1912 came to Winnipeg as vice-president in charge of western branches. On February 1, 1918, his intimate knowledge of all angles of the grain trade was such that his services were commandeered by the country and at the joint request of the Allied Wheat Commission and of the buyer for the Allied Government and the eastern Canadian mills, he took charge of the wheat distribution to the 284 flour mills in Eastern Canada. Not long afterwards he was asked to become vice-president of the Wheat Export Company Limited as second in command of the purchasing and forwarding of grain and grain products for the allied governments in Canada. In 1919 he became president and general manager of James Richardson and Sons Limited.

Already a director of the Canadian Bank of Commerce, on May 4th of this year his name was added to the board of directors of the Canadian Pacific Railway.

Rides, Plays Golf and Tennis

One would imagine that with so many diversified activities he could have little time for sport, but Mr. Richardson, while a believer in hard work and plenty of it, is essentially an outdoor man. All forms of outdoor sport claim him. He rides, plays golf and tennis. He has a swimming pool in his fine residence on Wellington Crescent, while during the summer months he spends much of his spare time at his farm on the St. Mary's Road, not far from the city, but sufficiently distant to enable him to shake off the cares and worries of business life and to divert his active mind into different channels of thought.

While Mr. Richardson has done much for Winnipeg, he has never forgotten his old home town and Kingston has a good reason to remember the youth who is now one of the nation's big business men. In March of this year, simply and without ostentation he provided the entire funds for the erection of a stadium at Queen's University. It is known as the George Taylor Richardson Memorial stadium and is in memory of his brother who is one of those gallant Canadians who "Lie in Flanders Field."

Saving Moribund Industry

A couple of years ago he made what was a gift to virtually hundreds of Kingston people. The Frontenac Floor and Tile Company was an industry that during the difficult war years "went under."' Those who had stock in the company believed their money was irrecoverably lost. Those who worked in it believed their daily bread had vanished. Mr. Richardson offered to see what could be done to re-establish it. There were no vain-glorious promises. Stock was turned over to him in the belief that it was worthless. He spent thousands of dollars re-establishing the business and providing a great many people with the work that meant their daily living. And then having done all this he sent to each of the shareholders a check representing 25 per cent. of their investment, with the promise that as the business progressed there would be "more to come." That promise has been carried out to the letter for since that time the original investors have received the balance of 75 per cent. Frontenac Tile is perhaps a small Richardson activity, but his action in this, as in many other spheres recalls the phrase of the old hockey days.

He plays the game squarely.

Grain King

JAMES A. RICHARDSON.

WHY AMERICAN FACTORIES COME INTO CANADA

(Continued from page 3)

from the standpoint of publicity and the winning of goodwill, is worthy of consideration.

Labor is Excellent

Wage rates in Canada are very little below American wage scales. That factor cannot be counted on as favorable to the American manufacturer except perhaps in the province of Quebec. Production of the workmen will be found fully to equal that of American workmen and labor relations will be found to be excellent.

There are some factors in production costs, however, that are distinctly favorable in Canada. One is that of power. To any industry that uses a large amount of power Canada offers opportunities. Power is cheap in Canada, because 70 per cent. of the motive power of the entire nation is electric power and 97 per cent. of the electrical energy of Canada is produced from water power.

Transportation costs are cheap in Canada. The average freight revenue per ton mile of Canadian railroads is probably the lowest in the world; less than one cent.

The fact that Canada offers an abundant supply of easily available raw materials of practically every description and far from the point of depletion is also important.

"At what exact point does it become profitable to establish a branch plant in Canada?"

An American asked me that question. The answer must be general because the specific answer is different with each industry. But my general answer is this:

It becomes profitable for the American industrialist to buy or erect a branch plant in Canada and set up a strictly Canadian sales organization when he reaches any of these milestones in the development of his Canadian trade:

When to Build a Branch Plant

When his sales in Canada reach the point that production of the necessary amount of goods can profitably be concentrated in one plant;

When he finds that his attempt to get into the 450,000,000 market of the British Empire is being hampered by tariffs that are more favorable to British manufacturers than to American manufacturers:

When he determines that the Canadian or British people are showing a consumer's preference to British manufactured goods in his line and he decides that the best way to meet that obstacle is to put himself in a position to stamp his goods "British Made for British Trade," or "Canadian Made for Canadian Trade," just as many of his competitors are doing;

When he finds that his American goods have to be changed to meet the requirements of the Canadian or British markets and he has to put in new machinery and equipment in any event to meet those requirements;

When he finds that the Canadian market requires closer study and cultivation than absentee treatment can give it.

Those are the mile-stones. Many American manufacturers have not reached them in their Canadian or British Empire trade. But in the next few years many of them are going to anticipate their arrival eventually at one of these mile-stones, and, by putting up their plants in Canada in the near future, will start to paint in a background of consumer preference and public goodwill.

Alberta's Silver Foxes Double in Number in 1926

Silver foxes on fox farms in Alberta have doubled during the past year, according to the estimate of H. S. Oulton, Inspector for the Canadian National Silver Fox Breeders' Association, who has been looking into conditions in this province. It is the belief of Mr. Oulton that the gross profits from the sale of Alberta-raised fox pelts will be more than $600,000, in addition to which there will be a considerable profit from the sale of live foxes for breeding purposes.

Last year there were 3,000 registered foxes in Alberta and it is expected there will be 3,000 more for registration this year. There are 76 registered fox ranches in Alberta, on which the stock varies from a few pairs on the smaller places up to 500 pairs on the largest farm, that of Colpitts Bros., near Calgary. Alberta at the present time ranks fourth among the provinces of the Dominion in regard to the size of the fox industry.

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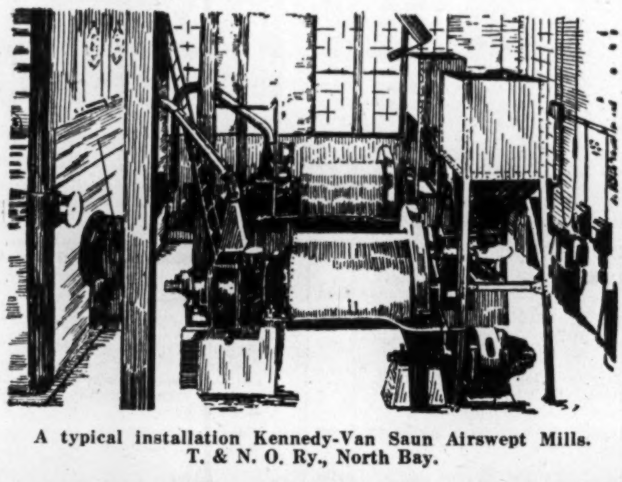

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ST. LAWRENCE PAPER NET $3.66 A SHARE IN '27

Lower Than in Year 1926 Due to Higher Charges

From Our Own Correspondent.

MONTREAL.—An increase of over $174,000 in gross profits is shown in the annual report of the St. Lawrence Paper Mills for the twelve-month period ended June 30, 1927. The operating profits for the year amounted to $1,143,592. Net profits of $383,017 are some $52,000 less than last year. This is accounted for by higher appropriations for depreciation, and for bond and debenture interest.

After deducting these charges and $200,000 for preferred stock, there remained $183,017 available for the common stock, which is equivalent to $3.66 on the out-standing 50,000 shares of no par value. The common shares last year earned $4.71.

Decreased earnings may be accounted for by the large amounts appropriated toward increasing the mills capacity which was doubled during the year. This is revealed in an item in the statement of assets, "Construction," $4,142,638, an increase of over $2,740,000 over last year.

Increase in Cash Assets

The balance sheet shows an increase of about a million dollars in net working capital, which now stands at $2,531,159. Total assets are shown at $13,785,975 as compared with $12,562,248 in 1926.

N. A. Timmins, president of the company, in referring to the year under review, states in his remarks to shareholders in part as follows:

"During this period your company has doubled the newsprint capacity of the mills and has increased the pulp capacity at the same time, to balance the manufacturing facilities.

"The four newsprint machines have now been operating since January of this year (six months of the company's year) previous to which there were only two machines operating.

"The full earning capacity of the four machines is not reflected in the present balance sheet, owing to the fact that the demand for paper slackened during the last six months of the company's year, in consequence of which the two new machines were operating part time only.

"Attention is called to the strong liquid position of your company, which was improved by the sale, since the last annual report was submitted to you, of $1,000,000 6 per cent. bonds, the proceeds of which have been for the time being invested in marketable securities included in the report under "investments."

	1926-27	1925-26	1924-25
Profits	$1,143,592	$969,695	$823,036
Deprec.	360,000	332,618	271,265
Bond int.	302,192	192,774	162,500
Deb. int.	98,381	8,408	......
Net profit	$ 383,017	$435,893	$389,270
Pfd. div.	200,000	200,000	200,000
Balance	$ 183,017	$235,893	$189,270
Prev. bal.	587,460	351,567	162,296
P. & L. bal. ...	$ 770,478	$587,460	$351,566

Earn. on com., $3.66, $4.71, $3.78.

Working Capital

	1927	1926	1925
Cur. assets ...	$3,371,656	$2,480,928	$1,699,296
Cur. liabs.	840,497	966,988	295,936
Work. cap. ...	$2,531,159	$1,513,940	$1,403,360

August Fishing Operations Result in Smaller Catch

On both coasts of the Dominion there were 133,068,200 pounds of sea fish landed during August with a value of $2,948,606 at the vessel or boat's side, compared with 163,557,000 pounds, valued at $3,794,181, in the corresponding period of the preceding year.

Decreased catches are recorded in practically all kinds of sea fish. This was due to rough and foggy weather on the Atlantic coast.

On the Atlantic coast total catch of cod, haddock, hake and pollock during the month was 39,058,500 pounds as compared with 52,706,600 pounds during the same month of the preceding year.

Some 839,700 lbs. of lobsters were taken during the month of which 303,400 pounds were shipped in shell and the balance canned, making 2,682 cases. In the preceding August there were 1,017,900 pounds of lobsters taken, of which 415,600 pounds were consumed fresh and the balance canned, making 3,012 cases.

Since the commencement of the lobster fishing season there have been 29,905,500 pounds taken of which 7,585,900 pounds have been shipped in a fresh state and the balance canned, making 111,548 cases. In the same period of the preceding season the catch was 31,975,200 pounds of which 8,309,500 pounds were consumed fresh and the balance canned, making 118,318 cases.

The catch of halibut on the Pacific coast was 3,797,400 pounds as compared with 3,540,400 pounds during the same month of the year previous.

There was considerable increase in the catch of pilchards, 41,405,400 pounds being taken as compared with 31,544,000 pounds during August of the previous year. The majority of these fish were used in the reduction works to be converted into oil and meal.

A very marked decrease is recorded in the catch of salmon, only 24,964,900 pounds being taken as compared with 49,834,100 pounds in the previous August.

Employment Record is Direct Indicator of Business Activity

By SYDNEY B. SMITH, Ottawa.

What is the relation of the index of employment to the index of general business? Can employment data be used by the business man or investor to assist him in determining the trend of business and, indirectly, the movement in the price of Canadian stocks?

It is necessary, before showing the relation between the two to outline briefly the method of the collection and preparation of the employment index and the sub-indexes which accompany it, as well as to explain the average time relation of employment and the index of general business, as prepared exclusively for The Financial Post and shown in graphic form on the adjoining chart.

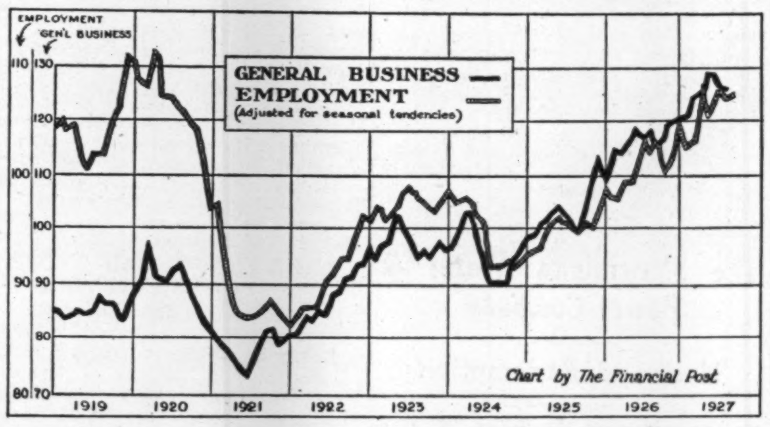

Chart by The Financial Post

In the interpretation of economic statistics in Canada, it appears that greater emphasis should be placed on statistical series presently available, rather than to attempt the collection of fresh data to close the obvious gaps. The employment data furnish a good sample of the series which could be used to greater advantage by the business man for the index of employment is an indicator of the general course of production. The increase or decrease in the number of wage-earners on the pay-roll usually registers the intention of the employers when they wish to increase or curtail output. The trend of employment also measures buying power obtained by wage-earners at a given time being affected directly by the state of employment.

Three Indexes Available

As a matter of fact, three indexes of employment are available, the series based on reports from trade unions and the one based on reports from the sixty-eight government employment offices being published by the Labour Department, and a third series based on reports from employers being published by the Dominion Bureau of Statistics. The index of employment prepared from the returns of employers is the most satisfactory for the purpose in hand. The percentage of unemployment among the members of the trade unions means quite a different thing at different times depending on the size of the membership. In view of the impression that activity at the employment offices is inclined to be at its height four months before the maximum point is reached by the index of employment prepared from employers' reports, considerable time was spent to verify the relationship. Taking the index of general business as a standard, the co-efficients of correlation were calculated for the two series. These coefficients are simply numbers derived from all the items of the two compared series by a mathematical formula so contrived that plus 100 p.c. or plus 1.00 represents agreement, and 0 represents non-agreement, or lack of correspondence. Experience has shown that correlation coefficients signify about the following degrees of correspondence between two economic time-series: Below 0.50 very low; from 0.50 to 0.60 rather low; from 0.60 to 0.70 fair; from 0.70 to 0.80 good; from 0.80 to 0.90 very good; and over 0.90 excellent.

Regular Placements Used

It was determined that the correlation between the two series in question was very low for each of the four time positions for which the test was made. The series used to indicate employment office activity was the number of regular placements per 100 applications, the series being corrected for seasonal variations. The correlation coefficient for concurrent data was 0.25. Other coefficients were as follows: with the employment index leading four months 0.169, the leading two months 0.355, and with the employment index lagging two months 0.335.

In other words, the correspondence between the two series is very low, the best fit being shown when the two series are compared with the employment series leading by two months. The low correlation may be explained by the fact that the employment office activity is greatly affected by the agricultural situation, which is only indirectly reflected in the index of general business. In spite of the advance movement of the employment office index, the low correlation discourages the use of the index in forecasting the trend of general business or speculative markets.

As the index of employment, compiled by the Dominion Bureau of Statistics, covers the industrial field in Canada to the exclusion of agriculture, it is natural to infer that the correspondence between it and the index of general business would be very close. An examination of a chart showing the two curves makes it clear that the inference is justified. In order to determine the time sequence of the two curves, the coefficients of correlation were calculated. The highest correlation was shown when the employment index was lagged one month, the coefficient for this arrangement being 0.845. The correlation between concurrent data was also very good, resulting in a coefficient of 0.807. Other arrangements, indicating good correlation but less satisfactory than those already mentioned, include: a lead for employment of one month, giving 0.775; a lag of two months, giving 0.799; and a lag of three months, giving 0.620. In making these calculations, allowance was made for the fact, that, while both indexes are available about the twentieth of the month, the index of employment applies to conditions on the first of the same month in which it is published, and the index of general business applies to the whole of the preceding month.

Indicate Economic Changes

What significance does this result have for the investor or the executive entrusted with the determination of business policy? It has been determined that the index of employment conforms closely with the trend of general business or the physical production of Canadian industry, one of the most accurate measures of the trend of business conditions in Canada. It was shown in an article appearing in The Financial Post on May 27, that a very close relation exists between the index of general business and the course of industrial stock prices. From the experience of the post war period it appeared that the physical volume of Canadian business was an important determining factor influencing speculative values. A change in the index of general business indicated, sooner or later, a similarly directed change in the index of industrial stocks. Aside from the obvious value of following the trend of employment in the various industries and groups to appraise the prosperity of the companies having stock listed on the exchanges, the composite employment index, with the usual adjustments, should be carefully examined from month to month for the purpose of detecting any important change in the economic situation in Canada which will tend to be reflected in the speculative markets.

Eight Maxims for Success in Handling Real Estate

How to make money handling real estate was recently compressed into eight maxims by W. Burke Harmon, president of the Harmon National Real Estate Corporation of New York City, as follows:

Never buy for cash. The successful operator invests just as little of his own funds as possible, glad to pay 6 per cent. interest for the use of money that he expects to bring profit. And mortgage interest is deductible from your income tax.

Buy when others aren't buying freely—don't wait for a boom.

Buy property monopolistic in character that will increase in value because it can't be exactly duplicated, such as water-front near a great city or a business corner in a thriving neighborhood.

Buy where things are going to happen in the future, not where the neighborhood is built up and changes are unlikely.

Don't take things for granted, such as the statement that bridges make high values or that proximity to a railroad station is an asset. Transportation facilities make values, but not necessarily for property almost on top of bridge or station.

After asking questions and comparing values in the neighborhood and judging all future possibilities, then have the courage of your convictions to stay by your guns.

Know when to sell—you never get poor taking a profit, but don't sell until you are convinced values have approached a temporary peak at least.

Don't retain indefinitely property that is unimproved. Either sell or put a building on it that will produce enough to pay taxes and carrying charges.

Gold Found at Quebec?

Montreal.—Reports of a gold field located near Quebec city have started following the discovery of a small vein of ore by workmen engaged in excavation work near Sillery. The find was made on the property of the Sisters of the Immaculate Conception. The general opinion is that the mineral discovered is copper. Specimens have been sent to the provincial department of mines for analysis.

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3
MONTREAL TORONTO NEW YORK

DOMINION BRIDGE CO.
LIMITED
Montreal, P.Q.
ENGINEERS, MANUFACTURERS and ERECTORS of STEEL STRUCTURES

HEAD OFFICE AND WORKS: Lachine Locks, P.Q.
P.O. Address, Montreal, P.Q.
BRANCH OFFICE AND WORKS: Toronto, Ottawa and Winnipeg.

Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

THE TORONTO GENERAL TRUSTS CORPORATION

Protecting Your Life Insurance Proceeds
by "The Life Insurance Trust"

IT is a splendid duty to provide your dependants with funds through Life Insurance, but it is also a further act of thoughtful kindness to ensure that those funds shall be carefully administered.

When, through The Life Insurance Trust, you appoint this Corporation to administer your Insurance proceeds—you make provision for the proper investment of the capital—you direct how the income shall be applied to meet the ordinary needs of the family, and how the principal may be drawn upon to meet contingencies.

A confidential talk with one of the Officers of this Corporation will show you how The Life Insurance Trust may prove the most effective means of meeting the needs of those whom you wish to benefit.

Write for Free Booklet "The Life Insurance Trust."

The
TORONTO GENERAL TRUSTS
CORPORATION
"Canada's Oldest Trust Company"—Established 1882
Toronto, Montreal, Ottawa, Winnipeg, Saskatoon, Vancouver
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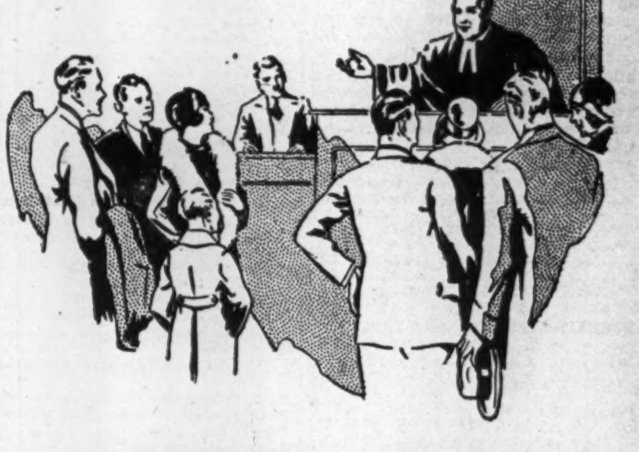


Man and wife killed at level crossing

Neither of them had left a Will. There were no children.

The relatives of both victims entered claims for the estate of the husband.

Medical experts proved to the court that the husband was first to die. Therefore, in accordance with the law his wife's relatives received $1,000 and 50% of the balance of the estate. His own family were given the remainder.

A democratic law gives men and women the right to leave instructions for the disposition of their property.

Exercise your right by making a Will. Name the financially responsible Canada Trust Company as executor to carry out your wishes.

The CANADA TRUST COMPANY
"Faithful, Permanent and Impartial"

T. G. Meredith, K. C., Chairman of the Board
Hume Cronyn, President
M. Aylsworth, General Manager

THE ONE CIGARETTE SOLD THE WORLD OVER
PLAIN AND CORK TIP
EGYPTIAN CIGARETTES
MELACHRINO
ORIGINAL
Melachrino
CIGARETTES
MO60

FOREIGN EXCHANGES

Exchange Moves On Narrow Scale

Foreign exchange did not exhibit any unusual features during the week. New York funds are still quoted at a discount averaging around 3-32. The crop movement is now getting into full swing and though there has been some hesitancy by American buyers, on account of a large crop in their own country, buying from that source is expected to come up to that of previous years.

Sterling was fractionally easier, but did not develop any signs of weakness. Trading in Italian exchange was on a large scale, and speculative buying put the rate up over 4 points to 5.50 cents for cables. German marks were also stronger, while Swedish, Danish and Spanish currency displayed strength. Though movements were rather wide during the week, net fluctuations in most currencies were narrow.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
	(Discount)		(Discount)	
Sept. 29	9-64	5-32	9-64	11-64
Sept. 30	7-64	1-8	1-8	9-64
Oct. 1	3-32	3-32	5-64	1-8
Oct. 3	3-32	7-64	3-32	7-64
Oct. 4	3-32	3-32	3-64	3-32
Oct. 5	3-32	3-32	1-16	5-64

STERLING, FRANCS AND LIRE

Sept. 29	4.86 3/16	3.92¼	5.45½
Sept. 30	4.86 3/16	3.92 11/16	5.45¼
Oct. 1	4.86⅛	3.92⅛	5.45¼
Oct. 3	4.86 5/16	3.92¼	5.45¼
Oct. 4	4.86½	3.92¼	5.45¾
Oct. 5	4.86 7/16	3.92¾	5.53¾

FOREIGN EXCHANGE

Par		Sept. 28	Oct. 5
13.90	Italian	5.45	5.52
23.82	German	23.77	23.83
19.30	Belgian	13.91	13.92
84.85	Japan	46.50	46.60

PUBLIC NOTICE

NEWFOUNDLAND GOVERNMENT

5% Loan, 1927

APPLICATIONS will be received at the Bank of Montreal in London, England, New York, Montreal and St. John's, Newfoundland, addressed to the undersigned, up to the 20th October, 1927, between the hours of 10 a.m. and 3 p.m., for the purchase of Newfoundland Government bonds amounting to $5,000,000, or sterling equivalent at $4.86 2/3 per pound, authorized by the Loan Act of 1927, application to be made in terms of Newfoundland dollars, to be delivered in St. John's, Nfld. These bonds will bear interest at the rate of five per centum per annum payable on the first days of January and July in each year, the principal being repayable on the 31st December, 1952. Such sum and interest are payable at the office of the Minister of Finance and Customs, St. John's, Nfld., or Bank of Montreal, St. John's, Nfld., or at par of exchange at the following places, viz.: Bank of Montreal in the City of Montreal, Canada; Agency, Bank of Montreal in the City of New York; Bank of Montreal in the City of London, England. These bonds will be free from all present and future taxes including income tax payable in Newfoundland. All tenders received up to date and time mentioned above will be opened on Thursday, the twentieth day of October, 1927.

(Signed) JOHN C. CROSBIE,
Minister of Finance and Customs.
St. John's, Nfld., 1st October, 1927

Unlisted Stocks

These prices are mostly as at October 3, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
Border Cities Pref. Bonus	$ 32.00	$ 39.00
Brandram Henderson, Com.	19.00	23.00
Brandram Henderson Pref.	77.00	82.00
Brantford Roofing	98.00	....
Brooks Steam Motor Units	2.75	3.75
Canada Machinery Com.	10.25	12.00
Canada Machinery Pref.	28.00	33.00
Canadian Celanese	80.00	82.00
Can. Paperboard Pref.	85.00	....
Canadian Westinghouse	178.00	....
Canadian Westinghouse, 1/5	38.00	42.00
Caulfields Dairy Com.	20.00	26.00
Caulfields Dairy Pref.	87.00	....
Cockshutt Plow Pref.	83.00	85.00
Copeland Flour Mills Pref.	16.25	21.00
Dom. Alloy Pref. Bonus Com.	1.50	2.50
Dom. Combing Mills	....	14.00
Dom. Foundries & Steel Com.	1.50	3.50
Dom. Foundries & Steel Pref.	21.00	26.00
Dom. Linens Pref.	17.25	23.00
Dom. Manufacturers Com.	6.00	....
Dom. Manufacturers Pref.	66.00	....
Dom. Power Com.	28.00	30.00
Dom. Power Pref.	100.00	102.50
Dom. Sewer Pipe Com.	58.00	60.00
Dom. Sugar Com.	19.50	22.75
Dom. Sugar Pref.	93.00	99.00
Dunlop Tire Pref.	95.00	98.00
Durant of Canada	2.25	3.50
Farmers Dairy Com.	105.00	....
Farmers Dairy Pref.	101.00	105.00
Gillett, E. W.	65.00	....
Goodyear Cotton 7% Pref.	98.00	102.00
Gotfredson Truck Com.	15.00	20.00
Greening Wire Pref.	97.00	101.00
Guardian Realty Pref.	60.00	65.00
Hamilton United Pref.	68.00	....
Huethers Brewing Pref.	3.00	6.00
King Edward Hotel "A"	74.00	76.00
King Edward Hotel "B"	64.00	67.00
Kingston Ship-Building Pref.	17.50	....
Loew's Buffalo Pref.	30.00	37.00
Loew's London Com.	4.50	5.25
Loew's London Pref.	7.50	8.50
Loew's Mansfield Pref.	70.00	....
Milton Brick Co.	17.25	20.00
National Grocers 1st Pref. Ex. Div.	97.00	99.00
National Steel Car Com.	29.00	....
Nova Scotia Tramways	2.00	....
Nova Scotia Tramways, Pref.	20.00	....
Palace Thea. (Montreal) Pref.	51.00	....
Pure Food Com.	25.50	29.00
Simpson, Robt., Pref.	102.00	104.00
Standard Clay Products Com.	38.50	41.00
Toronto Baseball Club	....	90.00
Toronto Carpet Pref.	96.00	99.00
Willards Choc. Pref.	....	66.00

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$100.00	$ ....
British Mortgage & Trust	202.00	....
Capital Trust	55.00	65.00
Chartered Trust	80.00	85.00
Commercial Finance Com.	24.00	28.00
Commercial Finance Pref.	80.00	85.00
Debentures & Sec. Com.	65.00	....
Debentures & Sec. Pref.	65.00	....
Lambton Loan & Savings	81.00	....
London Loan & Savings	46.00	50.00
Mfg. Finance Pfd. Bonus Com.	7.25	8.00
Midland Loan & Savings	15.00	....
Mortgage Discount Pref.	6.25	7.25
Mortgage Discount Com.	.40	.60
Mutual Finance Com.	7.00	8.50
Mutual Finance Pref.	7.00	8.50
Peoples Loan & Savings	76.00	....
Sherbrooke Trust Co.	110.00	....
Saskatchewan Mortgage	30.00	....
Sterling Trust	83.50	....
Toronto Finance	3.25	4.50
Waterloo Trust & Savings	100.00	....

Insurance

	Bid	Asked
British America	40	..
Canadian Fire, Full Pd.	105	120
Canada Life	950	1050
Canada National	16	20
Capital Life, 20% Pd.	22	25
Casualty of Canada, Full Pd.	180	..
Commonwealth, 10% Pd.	21	25
Confederation Life, 10% Pd.	72	..
Continental Life, 20% pd.	50	56
Crown Life, Full Pd.	240	..
Dom. of Can. Guar. & Ac.	310	..
Dominion Fire	105	..
Dominion Life, 50% Pd.	400	..
Excelsior Life, 30% Pd.	95	..
Federal Fire, 25% Pd.	35	..
Fidelity of Canada, Full Pd.	120	140
Great West Life, Full Pd.	440	475
Imperial Life, 85% Pd.	390	..
Manufacturers Life, 45% Pd.	390	420
Monarch Life, 10% Pd.	41	45
Montreal Life, 20% Pd.	54	60
National Life, 25% Pd.	70	..
Ontario Equitable, 10% Pd.	29	31
Security Life, 45% Pd.	10	20
Sovereign Life, 25% Pd.	55	60
Sun Life, 75% Pd.	1550	1650
Toronto Casualty	27	30
Western Assurance	43	..

Club Shares

	Bid	Asked
Bayview Golf	$	$ 35.00
Lakeview Golf	....	70.00
Lake Shore Golf	....	35.00
Lambton Golf	390.00	425.00
Mississauga Golf	15.00	35.00
Rosedale Golf	105.00	130.00
Summit Golf	....	25.00
Thistledown Golf	45.00	60.00
Thornhill Golf	....	85.00
Toronto Winter Club	....	45.00
Weston Golf	75.00	95.00
York Downs Golf	265.00	295.00

Recent London Quotations

	Sales
Calgary Power	52
Hudson's Bay	93s. 1½d.
Hudson's Bay 5% Pref.	97s. 6d.
Can. West Lumber	4s. 1d.
Standard Chemical 7%	21
Dominion Tar	40s.
Dominion Tar, Pref.	23s. 1½d.
Mond Nickel	54s.

Recent Vancouver Quotations

	Sales
B. C. Telephone Pfd., new	104½
B. C. Electric Pfd., ex. div.	103.50
Pacific Eagle, com.	14a.
Gosse Packing, com.	52a.
Do., Pref.	93a.

Winnipeg Stocks

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	95	..
Home Inv. and S. Assn.	73	..
N. Mtge., fully paid	70	..
N. Mtge., 50% paid	34	..
Northern Trusts Co.	39	..
Standard Trusts Co.	..	33
N. Star Oil Co. pref.	5.00	..
N. Star Oil Co., com.	2.00	..
Traders' Bldg. Assn.	89	..

INTERNATIONAL PAPER COMPANY

New York, N.Y., August 31, 1927.

The Board of Directors have declared a regularly quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable October 15th, 1927, to holders of record at the close of business October 1st, 1927. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer.

DOMINION TEXTILE COMPANY LIMITED

Notice of Dividend

A Dividend of one and three-quarter per cent. (1¾%) on the Preferred Stock of Dominion Textile Company, Limited, has been declared for the quarter ending September 30th, 1927, payable October 15th, to shareholders of record September 30th.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.
Montreal, August 30th, 1927.

The Nation's Business

(Continued from page 1)

the committee that prepared the draft, felt that export restrictions should not be used to advance the economic interests of any state.

• • •

OF COURSE, Canada could not accept such international control of the pulpwood policies of the provinces. Dr. Adam Shortt, one of the Canadian delegates, said so at the meeting. American delegates at once stood up and admitted that Canada's problem was unique; that the export restrictions had been undertaken in the interests of conservation and that it was of international importance for Canada to preserve for its paper mills an inexhaustible supply of raw material.

If the Americans at Geneva in May were willing to back up Canada's right to prohibit the export of pulpwood it is hardly likely that they will attempt to level those restrictions now.

Canada may or may not be represented at the conference. But Canada in any event should not give up its right to do as it pleases regarding pulpwood export.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

NOTICE is hereby given that a dividend of Two Dollars and Fifty cents ($2.50) per share, for the quarter ended September 30th, 1927, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record the 11th day of October, 1927, at 4 o'clock p.m., and payable on the 15th day of October, 1927.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.
Tuesday, October 4th, 1927.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 1

NOTICE is hereby given that a dividend of 1¼% (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending September 30th, 1927, payable October 15th, 1927, to shareholders of record at the close of business September 30th, 1927.

By order of the Board,
L. C. HASKELL, Secretary.
September 30th, 1927

The Steel Company of Canada, Limited

PREFERENCE DIVIDEND NO. 65

Notice is hereby given that a dividend of one and three-quarters per cent. on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending September 30th, 1927.

ORDINARY DIVIDEND NO. 43

Notice is also given that a dividend of one and three-quarters per cent. on the issued and fully paid Ordinary shares of the Company has been declared for the quarter ending September 30th, 1927.

The above dividends are payable November 1st, 1927, to shareholders of record at the close of business October 7th, 1927.

By order of the Board,
H. S. ALEXANDER,
Secretary.
Hamilton, Ontario,
September 28th, 1927.

DEBENTURES FOR SALE

Sealed tenders marked "Tenders for Hoople Creek Drainage Scheme Debentures" will be received by the undersigned up to and including Saturday, Nov. 12th, 1927. The issue is for $7,458.50, 20-year, 5 per cent. debentures authorized by By-law No. 16 of the Township of Osnabruck, County of Stormont, passed Dec. 15th, 1925, approved and validated by the Ontario Railway and Municipal Board, March 17th, 1927. The debentures to be in sums of not less than $50 each and of the kind suitable to the purchaser.

The highest or any tender not necessarily accepted.

Dated at Farran's Point this 30th day of September, 1927.

WILLIS O. SHEETS,
Clerk of Osnabruck.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1927:

On the Preferred Stock, one and one-half per cent. (1½%) payable on the 1st day of November to Shareholders of record of the 21st day of October, 1927.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of November to Shareholders of record of the 5th day of November, 1927.

By order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.
Montreal, Que.,
26th Sept., 1927.

COMMERCIAL ALCOHOLS LIMITED

PREFERENCE DIVIDEND No. 15.

Notice is hereby given that a Dividend of Two per cent. on the issued and fully paid Preference Shares of the Company has been declared for the quarter ending September 30th, 1927, payable October 15th, to Shareholders of record September 30th, 1927.

ORDINARY DIVIDEND No. 2.

Notice is also hereby given that a dividend of Twenty-five Cents, (25c) per share on the issued and fully paid ordinary shares of the Company has been declared for the quarter ending September 30th 1927, payable October 20th to Shareholders of record October 10th, 1927.

By order of the Board,
T. V. BATTERSBY,
Secretary.
Montreal, September 30th, 1927.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of One Dollar and Twenty-five Cents ($1.25) per share has been declared on the Common Stock of the Abitibi Power & Paper Company Limited, payable the 20th day of October, 1927, to shareholders of record at the close of business the 10th day of October, 1927.

By order of the Board.

W. H. SMITH,
Secretary-Treasurer.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Monday, 24th October, 1927, for the right to cut the Red and White Pine, Jackpine and such Spruce timber as is suitable only for saw log purposes, on territory lying within the Temagami Forest Reserve, being composed of parts of Townships of Cassels and Riddell and area in unsurveyed portion of Temagami Forest Reserve, practically all in the District of Nipissing, the balance in the District of Timiskaming, the total area being 115 square miles, more or less.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. S. C. MacDonald, Crown Timber Agent, New Liskeard.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

TORONTO—September 12th, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of the Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

For Sale
PATENT OF MERIT
A REAL FORTUNE MAKER
Applicants please state manufacturing and distributing or promotion and financing facilities to S. B. Clifford, 401 Chambers of Commerce, Winnipeg, Man.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Five Per Cent. (5%) Consolidated Mortgage Thirty-Year Gold Bonds may surrender the same at the principal office of the Bank of Montreal in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of One Hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) Jas. Wilson,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

(Sgd.) JAMES WILSON,
Secretary.

THE SHAWINIGAN WATER & POWER COMPANY.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

The International Nickel Co.

A quarterly dividend of one and one-half per cent. on the Preferred Stock has been declared this day payable November 1, 1927, to the Preferred stockholders of record at the close of business October 13, 1927.

JAMES L. ASHLEY,
Secretary and Treasurer.
New York, October 3, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

Notice is hereby given that all of the outstanding Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on January 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Trust Deed, on the First day of December, 1927, at par with a premium of ten per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on December 1st, 1927, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on December 1st, 1927, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "A" Thirty-Year Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919 and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

Dated at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

BOARD ROOM TABLE for sale, mahogany, 4′ x 10′ 8″, made to order. Originally cost $450.00. Will sell half price. Too large for present purpose.
Box 114, The Financial Post, Toronto.

Executive Accountant and Auditor

of broad experience wanted for a position in Toronto with great possibilities. Must be an organizer, an efficiency expert and an investigator, able to conduct high-grade constructive audit, plan and supervise work of assistants and report upon facts in a clear and forceful manner. Chartered Accountant preferred. Give references and state fully general education, age, previous business connections, salary received in past.

Box 108, The Financial Post, Toronto

Featuring Fire Prevention

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, OCTOBER 7, 1927 No. 40

OBSERVE FIRE PREVENTION WEEK—OCT. 9 TO 15

NORTH'S GROWTH IS INFLUENCED BY FIRE HAZARDS

Greatest Danger is Not Local, But Usually External

CONTROL IS POSSIBLE

General Conflagrations Often Wipe Out Years of Valuable Pioneer Work

By **CLYDE LEAVITT,**
Chief Fire Inspector,
Board of Railway Commissioners.

Protection of our northern towns and villages from destruction by fire is in some respects similar to, and in other respects radically different from the corresponding problem in our older towns and cities further south. In both cases, we have hazards, physical and moral, external and internal, against which to contend, but to a large degree these factors work out quite differently in the north.

Development of a stable population in our north country is new; it dates back only a comparatively few years and is even yet only beginning to acquire real momentum, through the rapidly increasing development of agricultural, forest and mineral resources. Building construction is still very largely of wood. The same local hazards exist there that have generally obtained in pioneer towns almost everywhere. Where a town or village is incorporated, the gradual solution of these local problems may be anticipated, through the gradual tightening up of building regulations and the acquisition of waterworks, fire-fighting equipment and fire departments.

In these respects, the solution of the problem is measurably within the control of the local population, although unquestionably limited by what they can afford to expend. Thus far, many of the smaller towns and villages have been entirely destitute of any protection along these lines. This is particularly the case where the community is not legally incorporated and is, therefore, not in a position to raise special funds by taxation.

External Danger Greater

Experience shows, however, that in the north country, the greatest factor of hazard is not local but is external. By this I mean the danger of destruction, including possible loss of life, through general conflagrations having an outside origin and covering large areas of forest, cut-over on open lands. Examples of such destruction of towns, villages and farming settlements have occurred, particularly in Ontario and Quebec and to a lesser degree in New Brunswick. The most striking examples are those of the Clay-Belt of Northern Ontario. In July, 1916, forest fires swept Cochrane, Matheson, New Liskeard and much of the intervening country, destroying over two millions of property and 223 lives. Again in October, 1922, fires covering some eighteen townships in the Haileybury district burned out 1,565 families, with property loss aggregating well over six million dollars and with 44 fatalities.

These were not single fires, but were the combined result of hundreds of small fires, burning for weeks previously, in forest or open land, all through the regions in question, some due to carelessness of sportsmen, some to settlers clearing operations and some to other causes. With the long continuance of drought, the prevalence of high winds swept these many small fires together and carried them forward on a wide front, with destruction to nearly everything in their path.

In his report, following the Haileybury disaster of 1922, Fire Marshal Heaton, attributed the small losses at Englehart and New Liskeard to fire retardant roofing material at the former and to the strenuous efforts of fire departments and citizens generally, at both points.

Danger Ever Present

In his report, the fire marshal emphasized strongly the point that "the imminence of fires in Northern Ontario is, and will be for years, to be dreaded," and he characterized the vast amounts of inflammable debris on uncleared lots as "the menace of the North."

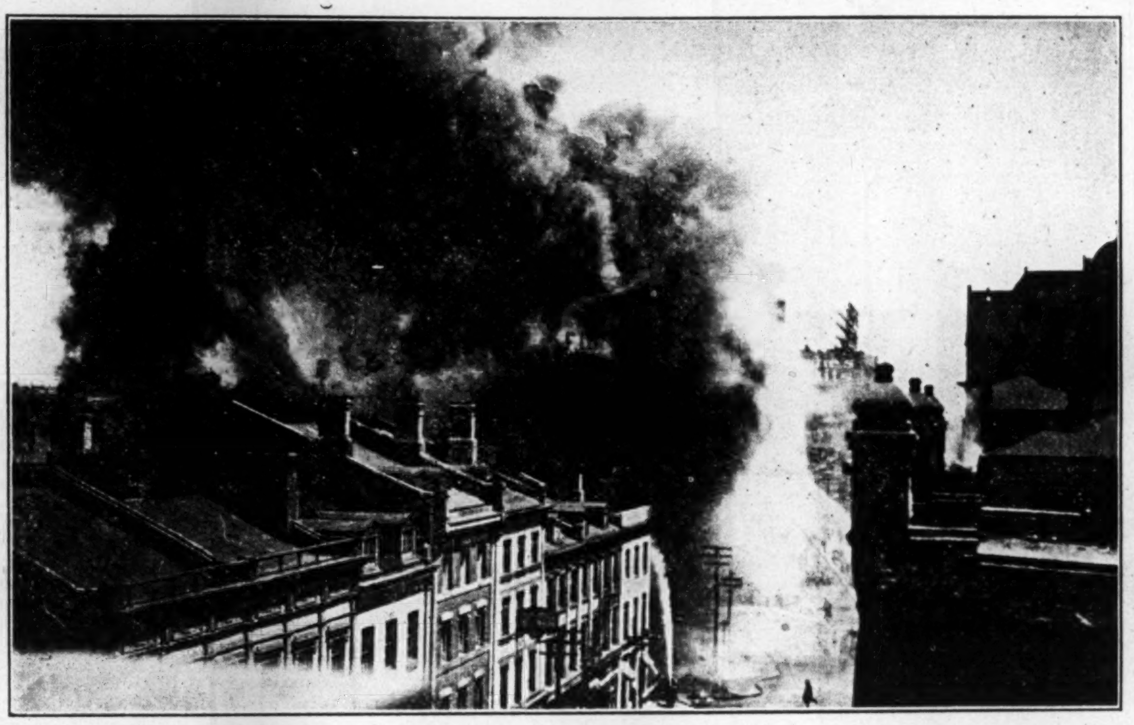
Our Northern forests are highly inflammable, the slash resulting from logging or clearing is infinitely more so, and in times of drought the vegetation and even the soil itself will carry fire in a high wind, as was the case in the open country around Haileybury. And yet the newer settlements, towns and villages must, in most cases, be developed in the face of these handicaps.

The situation is by no means hopeless. It is an ingrained characteristic of human nature to lock the stable door after the horse is stolen, and the lessons of the past have not been wholly barren of results.

To a large extent, towns and villages are surrounded by agricultural lands from which the forest growth must be cleared before cultivation is possible. In this process, fire must be used, to dispose of the debris. In the earlier years, there was frequently the strong-

(Continued on page 24)

Foresight Would Have Prevented This $250,000 Conflagration



A cigarette stub carelessly thrown among piled-up packing cases put this Toronto manufacturing concern out of business for several months. The years and money spent by the owners in building up the business were lost in a few hours. Systematic inspection and adequate protection would have avoided this catastrophe or, at least, minimized the loss.

Fire Hazards Prove Constant Menace to Security of Business and Manufacturing Operations

Canadians Face Loss of Over $100,000,000 Yearly, Much of Which Could be Prevented — Great Advances Are Being Made in Assuring Adequate Protection

"Fully covered by insurance."

With this remark the average business man or manufacturer passes over the danger of fire. That there can be no greater mistake, is evident to anyone who has studied the fire losses of Canada in the past decade.

Insurance will offer protection up to a certain point. Material losses will be covered more or less in full, but there are other avenues of loss which frequently make the former a negligible quantity.

There is the loss of profits for instance. No fire can occur in a business property without the conduct of business being interrupted. This interruption may last for only a few days or it may run for months. Profits are inevitably reduced or actually converted into operating losses.

Often goodwill is one of the most important assets which a business possesses. Goodwill, however, is a very peculiar and unstable asset. Its value depends upon continuity. It quickly deteriorates if the aggressiveness of the selling organization slackens, and this almost inevitably must be the case where fire prevents the filling of orders.

The public is proverbially fickle. When a business suffers a burn-out it represents a golden opportunity for competitors to steal trade, and human nature will have to materially change before the competitors will fail to take advantage of such opportunities. The public must be served and it doesn't care a rap who does the serving.

Then again there is the loss of organization morale. When men are thrown out of employment they must continue to live, therefore, they seek jobs elsewhere. It is a costly process to rebuild an organization. Even the department heads or others whom the business can afford to retain during the "up-set" period cannot work efficiently and months may pass before these people get back to a profitable working pace.

Another point which is often overlooked is that of changing values. Fires occur during business boom periods as well as during periods of depression. Boom periods almost always find building material prices high, and the same is true of equipment. A severe economic loss is frequently suffered in the exchange of values which thus takes place.

Business' Greatest Enemy

It is estimated that the average business man has fifteen times the chance of fire that he has of failure, yet he devotes all of his time to guarding against the latter and seldom any time preparing for the former. This problem was recently investigated by R. G. Dun and Co., and some startling facts were brought out. It was discovered that seventy-four per cent. of businesses that are visited by destructive fires and lose records, suffer serious reduction in their credit rating. One hundred representative concerns ranging in size from a two and one-half million dollar manufacturer down to a small cross-road store were investigated. Forty-three per cent. of this number were not able to resume business. Moreover, the balance suffered credit loss in one form or another, as illustrated in the accompanying chart.

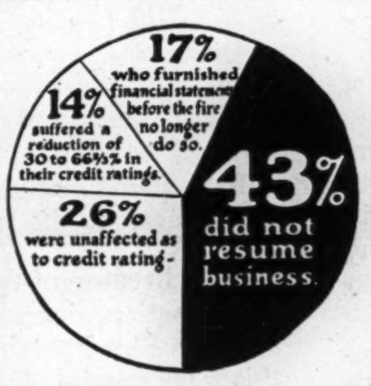
It is known that the loss in physical values due to fire in Canada has averaged around $100,000,000 a year. This figure has been checked and rechecked and can be taken as reasonably accurate. But this sum does not cover all the loss suffered by Canadian business from fire. Business men are reticent and do not care to advertise their loss, and if it were possible to compile a statement showing "business" losses, then the bill which Canada has to meet from year to year would total well over the hundred million mark.

How can this loss be avoided or held in check? For years there has been a consistent and organized effort on the port of the Dominion Fire Prevention Association and other institutions in educating the public to the menace of fire. That good work has been accomplished is evident by the declining fire loss. However, Canada is still behind in the race against fire hazards. No one, especially the business man, wants a fire. But the inability of many to appreciate the enormous damage which can be done by fire, leaves with us this menace to public property and life.

Two reasons are usually given for the majority of business fires—failure to take precautionary measures and carelessness. It is difficult to determine which has caused the heaviest loss. An example of carelessness is that of a recent Toronto fire, when a large manufacturing building burned down with a material loss estimated at $250,000. It is not known what the loss in business was, but it was undoubtedly more than double this figure.

This fire could have been avoided. Packing cases in an exposed position and the throwing of a lighted match or cigarette among the highly inflammable material, destroyed in a few hours what had taken years to build. The danger was ever present but failure to recognize it, proved costly.

Fire chiefs and fire marshals have done a great deal of valuable work in ferreting out fire traps and arranging for their removal. But to examine every business building and industrial plant in the Dominion would require a service a hundred times larger than that in existence. The public, as well as the individual, has a responsibility in connection with the fire hazard. One must co-operate with the other to keep losses at a minimum.



Over 40% of companies do not resume business after a fire. This conclusion was arrived at by credit agencies after investigating damage caused by fire. Only a small percentage were able to resume operations without impairment of credit rating.

Wonderful advances have been made in devising protective measures and constructing buildings of fire-resistive materials. There are many who believe that occupancy of a fireproof building ensures them from any danger from this source. So called "fireproof" structures are helpful in reducing loss—but at the same time they lull many into a false sense of security. For fire does not necessarily depend upon the materials of which buildings are made. It depends as well upon the contents of the buildings, upon neighboring buildings and drafts. Even a small amount of combustible material aided by open stairways, elevator shafts, large courts, narrow streets and high winds will make an intensely hot fire.

W. D. Mathews, chief engineer, of the Chicago Board of Underwriters, has the following to say, which clearly sums up the best opinion on the matter of fireproof buildings:

> "There is no such thing as a fireproof building. A building will resist damage to itself by fire from an exposure according to the nature and the application of the materials used in its construction. It is absurd to expect that a building which is built partly of fire-resisting materials and partly of combustible materials and filled with combustible contents will not be materially injured both as to structure and contents when subjected to high temperatures."

Manufacturers and business men have gone further than constructing their buildings of fire resisting materials, by installing sprinkler systems, and regulation fire equipment. These facilities do much to lessen the danger of a destructive fire, but if the conflagration gets out of hand, neither sprinkler or the "fireproof" qualities of the building, will save the business from being temporarily or permanently suspended.

What then is the remedy to the situation. Constant vigilance is the solution. Sprinklers and other automatic devices are splendid aids in smothering fires in the incipient stage. But above all, thorough and regular inspection of the premises should be made with a view to eliminating fire traps, disposal of refuse, etc., in order that the fire hazard menace may be reduced to a minimum.

Fire Costs Canada $100,000,000 Yearly

	1922 $	1923 $	1924 $	1925 $	1926 $
Value of property destroyed	54,390,688	48,570,759	45,906,531	40,729,724	38,395,096
Insurance premiums in excess of losses paid	16,529,907	20,472,375	21,590,380	27,246,031	30,884,862
Maintenance cost of municipal fire protection	23,247,950	24,170,420	24,659,204	25,103,246	25,970,803
Installation and maintenance cost of private fire protection	8,431,050	8,873,200	8,994,500	9,374,815	9,846,725
Total	102,599,595	102,086,754	101,150,615	102,453,816	105,097,486

Automatic Sprinkler Field of Usefulness is Rapidly Widening

New Inventions Meet Demand of Modern Conditions

FIRE LOSS IS LOWER

Installation of Sprinklers and Other Devices to Meet Conditions is Mechanical Problem

By **T. H. HIGGINSON,**
Canadian Automatic Sprinkler Association.

This has been the first year in which we are noticing tangible results of work that we have been doing for a period of years.

Much time and a lot of money and energy has been spent by the association in issuing pamphlets and furnishing engineering data in order to get such buildings as churches, hospitals, and other institutions properly equipped with sprinkler protection.

The Sydney Hospital, the Cape Breton Insane Asylum, the Royal Hotel, St. John, St. Paul's Anglican Church and St. Clements Catholic Church, also one of the new Canada Steamships, the "St. Lawrence," have been equipped with the sprinkler system in the past year. That is a step in the right direction.

In 1926 there was installed about 150,000 automatic sprinklers in various kinds of buildings. That is about a ten per cent. increase over the year 1925, and prospects indicate that 1927 will beat 1926.

There have been in the fire protection field a number of new inventions. The Automatic Sprinkler Association work more in the capacity of engineers than in fire prevention. It is not only a question of installing an automatic sprinkler, but a question of devising means of meeting all kinds of conditions.

Handle New Tasks

In Oshawa, about a year ago, a problem arose in connection with a process of enamelling different automobile parts. They use dip tanks, and this same condition applies in furniture factories, where they are spraying or dipping furniture. The hazard there becomes quite a problem. In this particular case at Oshawa they had 6,000 gallons of varnish in a large tank, thinned with benzine—a highly inflammable product.

The operation was that a fender or some other part of an automobile is carried over an endless conveyor into the dip tank and out again, and just as it is coming out of the tank a large fan sends a blast of warm air against the part and takes the trickling liquid from it. The part then travels a little farther where a cold blast chills it. Then it is sent on into the oven where it is baked, or otherwise treated. That 6,000 gallons of varnish was worth $6,000.

Now the ordinary automatic sprinkler protection would simply tend to overflow the tank and spread fire, so it was not a question of applying water at all. The next thing was to try foam. It was impossible to try and bottle the fire with the hood, so finally we came to the conclusion—it was simply an engineering problem—to attach to the bottom of the 6,000 gallon tank an eight inch pipe and a quick opening valve. Directly over the tank a detector was placed. In case of fire or rise of temperature equal to 15 degrees per minute, the detector caused the valve to open. The liquid then passed through the pipe by way of a gooseneck connection, and thus did away with the menace and saved the 6,000 gallons of varnish. After the fire they could re-pump the varnish back into the tank and use it over again.

Protect Alcohol Tanks

Another case is that of an industrial alcohol company which had huge tanks of industrial alcohol, as many as thirty or forty tanks in one plant. A little while ago lightning struck the building and a terrific fire occurred. When the tanks collapsed the liquid ran into the open sewers and entered other buildings some distance away like a blazing torch. The same thing may happen again.

The company was desirous of having some protection that would put out any fire that might occur in any one tank. Water again was no good in that particular case. To drop a hood over the tank would probably cause an explosion. A scheme was finally worked out where the tops of the tanks were covered, but with a vent leading to the roof, and in case of fire it was connected with a steam pipe with a quick opening valve and handled the fire by means of steam rather than water, which would pollute the liquor.

Mechanical Problem

The installation of automatic sprinklers and different devices to meet different conditions is a mechanical problem. Each case is a separate problem in itself. New processes of manufacture are continually being devised, involving new hazards. There are many big problems.

To mention another case. Oil leaks

(Continued on page 21)

Where Prevention is Common Aim

On the St. Croix River, the border line between Canada and the United States, there is on the one side Calais, and Milltown, Maine, and on the other, St. Stephen and Milltown, in New Brunswick, all with organized departments responding to a fire alarm anywhere in the four towns. Always they work together at a fire just as though it were in their own territory. There is no written agreement between them, it is a time-honored custom, and one likely to go on for ever. They are well pleased with the working out of the arrangement. It is just at that one spot alone on this continent where even the imaginary boundary line ceases to exist.

LOWER TAXATION POSSIBLE THROUGH FIRE PREVENTION

Need of Concerted Effort More Apparent Than Before

By **W. M. SHAPLEY,**
Canadian Manufacturers' Association

Fire waste, like a great many other questions that come before the public from time to time, is a question for us to decide whether we are going to allow this fire waste to continue from year to year, and allowing human life and property to be destroyed without making a much greater effort than has been made in the past to prevent it.

Interest in Taxes

In these days we are all more or less interested in taxation. A great deal of interest is being taken in that subject by different associations and individuals. Now, if interested in the taxation question, why are we not fully alive to the situation in regard to the fire waste, which is perhaps the greatest and most unnecessary tax imposed upon us in this country? Fire waste is costing the people of the Dominion of Canada, $100,000,000 a year, and when one considers that this loss has been going on and is going on from year to year, one wonders why it is so hard to stir people to a realization of what this waste really means.

We find in almost every direction during the last fifty years that for almost every cause of the waste of life and property a remedy has been found. It does not make any difference what it is, whether it is typhoid fever or any other disease that afflicts us; a remedy is always found to cure the evil. First the cause of the trouble is ascertained, and when that is known a remedy is soon found, so that if the same trouble ever arises again, it will appear in a much milder form.

Many Fires Avoidable

At least fifty per cent. of the fires that take place could be avoided. Some people say that every fire could be prevented. Probably that is true, but unquestionably at least half of the fires that take place could be prevented. What we need is thoroughly competent men to consider the situation and give their time and thought to devising remedies.

As citizens of this Dominion we all feel that it is time our government took hold of this question in a more intelligent way and endeavored to sift it down to the very bottom with a view to applying the proper remedies, and I amsure that if that is done we shall be able to reduce the fire waste down to a point much lower than it is at the present time.

Here is a tax that is being paid every year, the cost of collecting of which is very considerable; insurance companies report that the cost of collecting is over forty per cent., and when we consider all the incidental expenses attached, it is time that the government realized the importance of this question, and that steps should be taken to reduce the fire loss to a much greater extent than has been done in the past.

Everybody's Loss is Everybody's Business

Millions of Dollars Every Year

This is Canada's Fire Record

Year	Property Loss	Per Capita
1922	$54,390,000	$6.20
1923	$48,282,300	$5.45
1924	$45,906,500	$5.10
1925	$40,729,724	$4.35
1926	$38,395,096	$4.15

IT IS idle for anyone to assume that they are not definitely interested in Canada's fire loss. Fire may not destroy the homes or the businesses in which they are immediately interested, but, despite that, the loss touches them. It affects every citizen of Canada, for the direct and incidental annual fire cost of over one hundred million dollars represents a charge of $10 for every man, woman and child in the Dominion.

It is to be remembered too that this appalling figure does not include the tremendous annual waste in forest fires that decimate Canada's natural resources. It represents only the cost of fires in businesses and homes. It is a charge that none can evade. You may escape actual fire, but you help pay for the loss of others through higher insurance rates that a heavy fire ratio makes necessary, through the maintenance of expensive fire fighting equipment, through the business disorganization and lost working hours that reflect on the general prosperity.

To everyone in Canada, therefore, there is a sound personal reason for exerting every effort to overcome the spirit of carelessness by which most fires find birth. There is an obligation to safeguard every possible avenue through which the fire fiend may find entrance. It is a personal obligation to see that the premises in which you are interested are protected against unnecessary hazards, and that you and your family and associates are schooled against a careless disposal of matches and cigarettes and inflammable materials. Beyond that, there is need to carry the message of carefulness into every phase of life. To school teachers, community leaders, business men and other similar groups there is a peculiar opportunity and obligation to foster this spirit of carefulness. Think what a hundred million dollars saved annually, or even a fraction of it, might mean to the life of Canada!

It is because of this that the Government has, by proclamation, decreed the observance of October 9 to 15 as Fire Prevention Week. It is urged that in this week special effort be made to ensure that every dwelling, private building, institution, store, warehouse, business or factory in Canada be carefully inspected to see that no lurking fire menace hides in untidy surroundings, that fire fighting equipment is ample and in good repair and that the public is instructed in wise preventive measures.

This is a wide public service in which every patriotic citizen may have a part. It is an obligation resting upon every man, woman and child to see that every precaution is taken against fire. By so doing there will be saved for Canada the lives, the money, the labor and the materials that are wasted today.

In 1926 Canada Spent $60,000,000 (including Dominion, Provincial and Unlicensed) for Insurance Against Fire and $35,000,000 for Fire Extinguishment

Yet of the Undertakings wiped out by Fire, 43 per cent. Do Not Resume Business.

DEPARTMENT OF INSURANCE

OTTAWA

PROCLAMATION

WILLINGDON
(L.S.)

CANADA

GEORGE THE FIFTH by the Grace of God of Great Britain, Ireland and the British Dominions beyond the Seas KING, Defender of the Faith, Emperor of India.

To all to whom these Presents shall come, or whom the same may in anywise concern,

GREETING:

A PROCLAMATION

W. STUART EDWARDS,
Deputy Minister of
Justice Canada.

WHEREAS it is shown by authoritive statistics that the amount of the average annual loss of insurable property by fire in Canada exceeds forty million dollars and that more than three hundred persons annually lose their lives as a result of fire;

And whereas the waste thus occasioned, represented in terms of human life, money, labour, time and natural resources, cannot be re-created but is an absolute and irrevocable loss largely distributed over the entire population through the agency of fire insurance which imposes an inescapable and burdensome tax upon industry and thrift and substantially adds to the cost of living;

And whereas it is shown by reliable statistics that at least eighty per cent. of the fires which occur originate either directly or indirectly through inexcusable ignorance and neglect and are therefore preventable and that the exercise of reasonable prudence and proper carefulness on the part of responsible individuals would reduce losses by fire in Canada to the comparatively insignificant proportions of losses in other countries;

And whereas economic and humanitarian considerations imperatively demand that human life and material resources in Canada be so far as possible conserved in order that the national prosperity may be maintained and that the general welfare of the people may be measurably increased;

And whereas it is desirable that the attention of the public be directed to the extent and underlying causes of the preventable loss of life and property by fire and to the best and most practicable means for its control and that a specific period of the year be set apart and properly designated for the dissemination of such information;

Now know ye that we, by and with the advice of Our Privy Council for Canada, have thought fit to appoint and do appoint the week commencing Sunday, the ninth day of October and ending on Saturday, the fifteenth day of October in this present year as "Fire Prevention Week," and we do recommend to all our loving subjects that at some time during that week as may be found most practicable,—

1. All dwellings and their surroundings be carefully inspected by their occupants and all conditions likely to cause or promote the spread of fires removed.

2. All public buildings, stores, warehouses and factories be inspected and cleaned of rubbish in order to reduce fire hazards and maintain health and safety.

3. All hotels, theatres, asylums, hospitals and other institutional buildings be inspected and provision made for all changes necessary to protect the occupants from danger in the event of fire.

4. Fire drills be held for the children in all schools, for the inmates of all institutions and for the employees in all large stores and factories in order that a greater degree of safety may be ensured by acquainting the occupants with the best and most expeditious mode of exit in time of danger.

5. Special instruction on the subject of fire prevention be given by the teachers and by municipal officials in the schools and that such appropriate literature as may be made available be distributed to the pupils.

6. Boy Scout leaders give instructions to the troops under their control as to the best means of co-operating with municipal fire departments in the prevention and extinguishment of fires and especially as to the desirability of qualifying for the Fireman's badge.

7. All legislation and regulations enacted or issued by Dominion, provincial or municipal authorities dealing with fire prevention be given publicity by the municipal officials and that by public meetings or otherwise as may to them seem most fit, they endeavour to impress upon the citizens the national importance of safeguarding life and property from loss by fire.

Of all which Our Loving Subjects and all others whom these presents may concern, are hereby required to take notice, and govern themselves accordingly.

In Testimony Whereof, We have caused these Our Letters to be made Patent and the Great Seal of Canada to be hereunto affixed. Witness: Our Right Trusty and Well-beloved Cousin Freeman Viscount Willingdon, Knight Grand Commander of Our Most Exalted Order of the Star of India, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Knight Grand Commander of Our Most Eminent Order of the Indian Empire, Knight Grand Cross of Our Most Excellent Order of the British Empire, Governor General and Commander-in-Chief of our Dominion of Canada.

At Our Government House, in Our City of Ottawa, this thirty-first day of August, in the year of Our Lord one thousand nine hundred and twenty-seven, and in the eighteenth year of Our Reign.

By Command,

THOMAS MULVEY,
Under-Secretary of State.

Stern Measures Are Taken by Railways to Combat Fire Loss

Regular Inspection and Maintenance of Own Fire Departments Are Only Few of Precautionary Steps Undertaken by Transport Companies

By E. MOORE,
Insurance Commissioner, Canadian Pacific Railway.

Provision and maintenance of adequate fire protection equipment wherever practicable, coupled with private fire brigades at the larger points and other locations where large permanent staffs are employed, is the aim of the up to date railway company.

Two essential features that are demanded at all times of all employees are "good housekeeping" and the maintenance of all fire fighting equipment. Educating the employees along these lines has resulted in considerably reducing the number of fires on the system, and is not an expensive item for the company. Superintendents and other operating officials feel their responsibility too keenly to knowingly permit any condition to exist that may at some time be the cause of an outbreak of fire, and they are constantly on the watch for any accumulation of rubbish, shavings, excelsior, oily rags, etc., which they know to be a probable source of fire. Moreover, during their frequent inspection of buildings and structures, they note the condition of the fire fighting appliances.

Regular Inspection

Inspection of buildings and structures on the system is primarily the work of the inspectors attached to the insurance department who are constantly journeying over the system for this purpose. The usual method of inspection is to take each general superintendent's district and the various subsidiary lines, and allot a specified time for its inspection by one or more men as the territory to be covered demands. The general superintendent is notified a day or two in advance of the inspection, and usually designates his superintendent, engineer, or bridge and building master to accompany the inspector over the buildings. Close co-operation is secured, and to the official accompanying the inspector are pointed out the defects or objectionable conditions found to exist.

Where the remedying of the conditions or the carrying out of the inspector's recommendations can be accomplished without entailing any heavy expense, the necessary action is taken, even while the inspector is still on the premises. At the conclusion of the inspection the general superintendent is furnished with a list of recommendations, in duplicate, one copy of which he is requested to return to the insurance commissioner with notation as to the action taken on each recommendation.

There is the closest co-operation of all officials on the road in this fire-prevention work, and officials are just as anxious as the management to have as clean a record as possible. Should it be found that several outbreaks of fire of similar origin are occurring on the system in any one season. a bulletin is issued to each general superintendent. advising him of this and asking him to bring the matter to the attention of his subordinates so that any similar conditions may be removed or guarded against.

Have Own Fire Department

At the company's largest shop premises, at the Angus shops, Montreal, a permanent fire brigade, with full equipment, including a motor truck fully equipped with ladder, hose extinguishers, axes, etc., is maintained, in addition to the auxiliary fire teams among the employees. This brigade consists of four men during the day and four men at night, in charge of a fire chief. This brigade is fully competent to handle any ordinary outbreaks of fire on the shop premises, and even responds to calls from adjoining premises of the company.

Records show that in the past four years the brigade has responded to upwards of 200 alarms in the shop premises without having had occasion to call in the city fire department.

The members of this brigade make close individual inspection of the shop premises daily, paying particular attention to the condition of the fire doors, sprinkler risers, water pressure, etc., and fill out a detailed report on these items for the fire chief. The report is noted, a copy sent to the shops manager, and any defects found are kept in view until remedied; the foreman or other person in charge being responsible for the remedying of all defects brought in this way to his attention.

Take Disciplinary Action

Throughout the system disciplinary action is taken with all employees responsible for outbreaks of fire caused by conditions which they may have knowingly permitted to exist or which they had neglected to remedy.

One of the frequent causes of fire that can be avoided is from defective electric wiring. It is one of the rules of the company that none but competent electricians be permitted to alter or extend electric wiring, and in this way the extension of lighting circuits through partitions, woodwork, etc., and over nails and other improper supports is avoided, as all electricians are cautioned to follow the National Code in all respects in connection with the electric wires.

As the attention of employees is constantly being called to conditions on the company's premises of an undesirable nature, from a fire prevention viewpoint, it is felt that the subject will have some effect on conditions in their own homes, and in this way the efforts of those most closely concerned with fire prevention work on the system no doubt have good results even outside the company's own premises.

Prevention Work Thorough in P.E.I.

By C. A. BEER,
Deputy Fire Marshall, Prince Edward Island.

A Fire Prevention Act has been in force in Prince Edward Island for seven years. The expense of carrying on the work is practically all met by the Prince Edward Island Board of Fire Underwriters, and the Fire Marshal is also secretary of that board. In this manner we secure a great deal of inside information which helps us in our inspection especially in commercial risks.

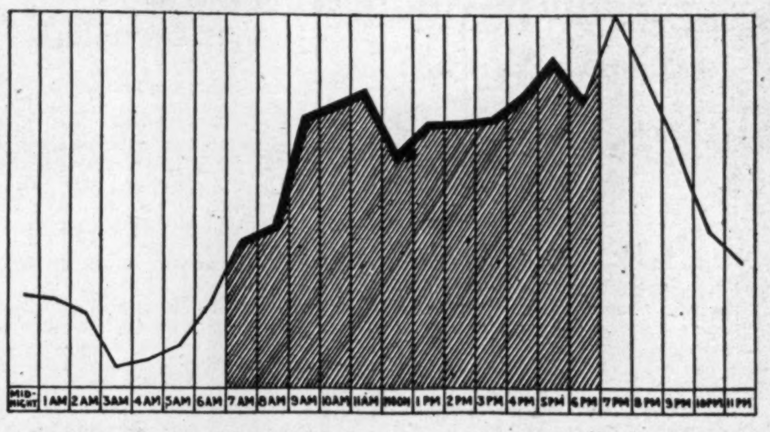
We have a Fire Marshal, a deputy, and forty Assistant Fire Marshals. The provincial general agents of the fire insurance companies claim that many thousands of dollars have been saved by the inspection system which we continually carry on.

During the year 1926 Prince Edward Island sustained one unusually large loss amounting to over $125,000, which resulted in giving the province an exceptionally bad record for that year, but even taking this loss into consideration the average per capita loss for the past seven years, being the only years for which authentic records can be obtained, is $2.86, which will be found to be the lowest per capita loss for any province of Canada. In addition the insurance loss ratio as compared with premium income has been the most favorable in Canada during the last seven years, and insurance companies doing business in Canada have made a more favorable profit showing in Prince Edward Island than elsewhere in the Dominion.

Intensive Inspection

From what can be learned from the different Fire Marshal's reports, there would seem to be a more intensive inspection carried on by the Fire Marshal's office in Prince Edward Island than can be carried on in the larger provinces. This is due to the fact that the ground to cover in Prince Edward Island is very small and easy of access, and also due to the fact that practically all adjustments of fire losses are made through the Fire Marshal's office. There is no doubt that every fire in the province has been reported, and in every case an investigation has been made into the cause.

Fire Hazard is Greatest During Day-time



A careful investigation of fire outbreaks in a large city disproves the old fallacy that most fires occur during the night. This chart shows that 62.3 per cent. of the fires occurred between the hours of 7 a.m. and 6 p.m. Moreover, 41 per cent. of industrial fires take place in the ten working hours of the day.

Phenomenal Advance Made in Preventing Forest Fire Damage

By ROBSON BLACK,
General Manager, Canadian Forestry Association.

While the past three years have been providentially moist and hazard of forest fires thereby lessened, no one acquainted with the forest protection organizations throughout Canada can conclude that the next "crisis year" of bad fire weather will catch the country as poorly prepared for defence as in 1923.

Advances in organization of patrols, improvement of personnel, and means of rapid inter-communication, have been little advertised but are none the less phenomenal. Ten years ago probably not a single fire fighting pump was employed by Canadian fire rangers. To-day there are well over one thousand. Ten years ago, even five years ago, fire lookout towers of efficient type were few and far between; to-day they are numbered by the hundreds. Fire automobiles, railway speeders, telephone lines, tool caches, and indeed everything mechanical that properly supplements the vigilance of the human patrolman, have been literally provided for. The fire fiend of 1928, or whenever he cares to arrive in full array, will find the forest protection forces of Canada in incomparably better position to hold him to a minimum degree of damage.

Plenty of Support

For this rapid change in conditions within five years, the various Provincial and Dominion forest services deserve the highest credit. In no quarter has there been a tendency to minimize the ever-increasing threat to the forest resources, or to depend upon the old-fashioned methods tolerated by past generations. The progressive spirit has been everywhere in evidence and governments have provided, in most cases, up to the limit of their financial ability, or at least to the limit of public sentiment.

Not less important than the keenness of government forest services has been the attitude of timber owners and, in the case of Quebec, limit holders associations entrusted with the actual protective work in their several districts. Generous provision has been made for towers, pumps, trail and road construction, telephone lines and other necessities. One of the larger limit holders spent in 1927 about $300,000 on the protection of its own lands from the fire menace.

While at times frank criticism is heard that the expenditure per acre is not yet sufficient to ensure real protection in a year of serious drought, it is nevertheless true that the signs of progress are so convincing and so general that none but a pessimist could denounce either government or limit holders as apathetic towards the problem of fire.

Public Education Needed

If there is yet a phase of forest conservation which has been allowed to drag behind the rapid march in mechanical betterments, it is in respect to public education. The Canadian Forestry Association which has undertaken much of the educational work in rousing public interest in the cause of forest guarding has logically maintained that no quantity of towers or pumps can conquer forest fires in the face of an indifferent or antagonistic public. Ninety-one per cent. of all forest fires originate in a careless brain and a pair of careless hands. The cure is not to be found in handcuffs. Police authority is of minor reliance. The thinly scattered population of settlers, guides, prospectors, hunters and fishermen, etc., who start nearly all the fires cannot be arrested and cast into dungeons. They must do their own arresting. In other words, they must be brought to see that when a forest burns, nobody gains and everybody is out of pocket.

As a matter of experience it is not a difficult matter to turn over any body of population from a destructive to a constructive state of mind in relation to care of the forest resources. The job has been undertaken and accomplished by the field workers of the Canadian Forestry Association in hundreds of districts, although the educational process must be repeated constantly in order to make the new mentality and new habits permanent.

Burning of forests is not the product of malevolence. The man who leaves his camp fire or drops his cigarette or chooses a windy day to burn his land—clearing debris—is not a criminal in the sense of conscious misdoing. He is usually a very decent type of Canadian who never has been informed why he should exercise care in his own selfish interest. Indeed his education has been stuffed with misinformation and prejudice calculated to make forest destruction an affair of small consequence.

The vital bulwark of forest protection throughout Canada is to be found in a well-instructed and alert public. Nothing short of that will provide the Dominion with a "fire proof" forest.

Forest Fire Problem In Brief Highlights

"While at times frank criticism is heard that the expenditure per acre is not yet sufficient to ensure real protection in a year of serious drought, it is nevertheless true that the signs of progress are so convincing and so general that none but a pessimist could denounce either governments or limit holders as apathetic towards the problem of fire."

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"Burning of forests is not the product of malevolence."

"The vital bulwark of forest protection throughout Canada is to be found in a well instructed and alert public."
—ROBSON BLACK.

Manitoba Fire Loss Declines 36%

By E. MacNAMARA,
Deputy Fire Commissioner, Manitoba.

In 1924 the then government of Manitoba were receiving numerous complaints about the neglect of fire prevention work, and they decided to turn that work over to the Bureau of Labor. That was largely due to complaints made by the insurance companies and others interested, and so the work of fire prevention was consolidated with the other industrial inspection laws, commonly known as Labor Laws. That innovation was a unique one in Canada, and possibly on this continent.

Combine Work

With the consolidation of the two departments, one inspector can easily combine fire prevention work with his other duties. A boiler inspector, for instance, who is going into a boiler room is quite capable of looking over the fire risks and fire hazards, and having orders issued where necessary to remove a fire menace.

So far as the property loss is concerned, the wastage in Manitoba in 1923 from fire alone was $3,722,670. That was a big amount of money for a small province to lose. It is more than equal to the combined revenue from the income tax imposed in Manitoba, the automobile tax and the amusement tax. Those three taxes combined are less than the amount of this fire waste.

Inspection by Bureau

This work of fire prevention was turned over to the Labor Bureau, which has fifteen inspectors, five in the country and the rest in the city.

A number of them were equipped with rubber boots and firemen's coats, and arrangments were made with the fire chiefs to supply reports of all second alarm fires and all fires that were of suspicious origin.

It was also arranged that no one should be allowed in the building in the case of a suspicious fire except the firemen and inspectors, until they were satisfied that the fire was not of a suspicious origin. In that way it was possible to get a lot of evidence which otherwise would be destroyed by careless people walking around and picking things up. That was something new in Manitoba; it had never been done before, and frequently the authorities were in the position of keeping the owners themselves out of their own building.

Per Capita Loss Lower

Inspection work of fire risks in other than buildings is kept up to a high pitch. Last year the Bureau made over five thousand inspections, which is more than had ever been done before in Manitoba in three years. What have been the results of that? In 1923 the loss was $3,722,670, or a per capita loss of $5.84; in 1926 the loss was $2,449,000, or a per capita loss of $3.73, making a reduction in the per capita loss as compared with 1923 of $2.11, which is a better showing than in any other province.

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MERCANTILE FIRES ARE ATTRIBUTED TO NUMEROUS CAUSES

Simple Preventive Measures Would Eliminate Much Loss

There are several frequent causes of fire in mercantile stores. An untidy cellar is a constant menace to the safety of a store. Here goods are unpacked, empty boxes piled on one side and excelsior and wrapping paper thrown in a heap on the other. A furnace close by adds to the danger. It is not hard to understand that a fire could very easily start in a litter so inflammable, either from an overheated furnace pipe or a carelessly thrown match or a cigarette butt thoughtlessly dropped on the floor. The merchant who has become a protagonist of fire prevention would therefore keep his cellar and stock rooms clean and tidy, free from packing cases, excelsior and loose-paper.

Stoves Are Dangerous

Stoves are placed too close to frame partitions. A stove should never be set up less than two feet from a wall, and there should always be a sheet of protective metal between. Stove pipes passing through a partition should be enclosed in a metal thimble. Old stove pipes should never be used, for rust spots develop into tiny perforations and the escape of sparks from a blazing fire is thus permitted. The piping from stoves and furnaces should be frequently renewed, for defective heating apparatus is the cause of many fires each year. Oils and paints should be kept in an isolated shed; and coal oil and gasoline lamps should not be used for lighting purposes.

An inspection of any town or village in Ontario would disclose the existence of fire traps right against the very best stores. Many of these old frame sheds and stables serve no useful purpose. A lumbering barn may be used to shelter a couple of automobiles. The motor car hazard is thus added to that of the dried out old barn. The cause of fire prevention would be served by tearing down the barn and erecting a sheet metal double garage for the cars. A frame livery stable, with a hay-filled mow, may jeopardize the safety of a business block. Windows and doors looking out on a hazard so great should be made fire protective.

Backyard Hazard

The menace of the congested back yard, where boys gather at night to smoke, is serious enough in the business section of every town to give concern to the protagonist of fire prevention. Dilapidated frame buildings should be demolished. Frame stables converted into garages should be replaced by metal structures. Unnecessary wooden fences should be removed. There is too little concern for the hazard of the congested back yard. Statistics would show that it is very real. Town councils could perform an invaluable service by having a clean up of such areas which lie close to business blocks.

It would often be enough to urge upon interested owners the advisability of removing the danger spots which menace the safety of valuable property. If there is a reluctance to respond, the Fire Marshal should be called in to order the removal of the fire menace. The continued existence of danger spots should not be permitted by municipal councils.

New Brunswick Fire Loss Declines

By H. H. McLELLAN,
Fire Marshall, New Brunswick.

We are meeting with considerable success in our fire prevention work in New Brunswick. We commenced our Fire Marshal's department in 1922. Up to that time we had no record of fire losses in the province, there being no insurance department in our province, but we were able to secure from federal bluebooks the insurance companies' losses, and that is the only information we then had for each year.

Our first year under the Act would be considered an average year. As a result of the records kept and the close watch maintained on the destruction of property we found we had a property loss of a little over $3,000,000, which is an enormous loss for a small province such as New Brunswick is to-day. Since 1922 we have gone on and gradually but surely brought down our fire waste. In 1925 we had a property loss of $1,679,000. We had hoped to finish the year with a reduction of at least one half as against the first year of our operations; our insurance losses actually amounted to $1,173,000. It is not positively known, but we have, we believe, a premium income of $2,300,000. I believe, that for the past ten years the business has not been profitable for the insurance companies in our province, but there is strong hope that they will come into their own.

Standard Chimneys Necessary to Eliminate Fire Menace

All chimneys should be built on solid foundations from the ground up, never on brackets. They should be carried, as a minimum height three feet above flat roofs, and two feet above ridge of peak roofs.

Chimneys should be at least eight inches in thickness on all sides, of stone or brick, laid in portland cement mortar, or of reinforced concrete; unless lined with vitrified clay flue lining in which case the masonry should not be less than four inches thick on all sides exclusive of the lining.

Municipal Fire Losses Range From 24c. to $28.94 Per Head

Municipality	Population 1926	Total property loss 1926 $	Loss per capita 1926	Loss per capita 1925
Ontario—				
Belleville	12,634	34,946	2.77	1.48
Brantford	27,739	31,179	1.12	0.43
Chatham	15,000	24,770	1.65	0.77
Ford City	13,300	13,119	0.99	0.77
Fort William	23,000	375,416	16.32	17.92
Galt	13,000	91,535	7.04	0.78
Guelph	19,007	40,907	2.15	2.92
Hamilton	123,000	999,250	8.12	1.30
Kingston	23,000	55,000	2.39	5.63
Kitchener	26,000	2,775	0.11	1.33
London	65,000	299,860	4.61	3.44
Niagara Falls	19,000	31,115	1.64	3.20
North Bay	14,050	46,182	3.28	2.69
Oshawa	20,000	18,844	0.94	1.06
Ottawa	120,000	516,416	4.30	3.07
Owen Sound	12,300	21,995	1.79	5.88
Peterboro	21,600	76,448	3.53	1.33
Port Arthur	17,413	100,118	5.74	3.85
St. Catharines	22,043	58,993	2.68	2.66
St. Thomas	16,586	11,602	0.70	4.41
Sarnia	17,000	20,615	1.21	2.09
Sault Ste. Marie	24,000	109,237	4.55	5.01
Stratford	19,000	16,407	0.34	0.35
Timmins	14,000	35,607	2.54	0.67
Toronto	542,187	1,800,757	3.32	2.30
Windsor	61,000	99,982	1.62	4.22
Woodstock	10,000	28,872	2.88	0.17
Quebec—				
Chicoutimi	13,000	11,716	0.90	3.74
Hull	26,213	115,321	4.39	3.58
Joliette	10,710	103,372	9.65	0.71
Jonquiere	11,500	59,164	5.14	0.35
Lachine	16,000	11,859	0.74	.....
Levis	11,000	9,230	0.83	2.78
Montreal	952,875	2,740,083	2.77	4.38
Outremont	22,400	43,560	1.94	2.31
Quebec	125,000	1,172,982	9.38	2.75
St. Hyacinthe	13,460	75,600	5.62	10.10
St. Jean	10,000	289,455	28.94	0.35
Shawinigan Falls	14,000	3,450	0.24	5.36
Sherbrooke	25,021	39,345	1.57	5.70
Three Rivers	35,000	120,311	3.43	2.38
Verdun	38,700	36,766	0.95	0.34
Westmount	20,000	12,412	0.62	1.19
Manitoba—				
Brandon	16,500	22,988	1.39	2.00
St. Boniface	14,298	6,458	0.45	3.37
Winnipeg	197,125	777,190	3.94	5.12
Saskatchewan—				
Moose Jaw	21,000	29,094	1.43	1.58
Regina	37,000	250,956	6.78	3.64
Saskatoon	30,000	59,038	1.96	11.77
Alberta—				
Calgary	70,000	378,708	5.41	0.72
Edmonton	66,415	504,395	7.59	4.03
Lethbridge	12,000	45,267	3.77	20.43
Medicine Hat	10,000	53,725	5.37	7.19
British Columbia—				
New Westminster	17,500	48,676	2.78	3.55
North Vancouver	10,000	12,160	1.21	6.41
Vancouver	131,000	665,056	5.07	5.63
Victoria	42,000	44,317	1.05	0.97
Nova Scotia—				
Glace Bay	17,000	43,448	2.55	2.72
Halifax	64,000	246,375	3.84	2.49
Sydney	25,000	137,381	5.49	1.89
New Brunswick—				
Moncton	20,000	302,669	15.13	7.89
St. John	55,000	262,419	4.77	32.89
Prince Edward Island—				
Charlottetown	13,500	186,673	13.82	.....

ONTARIO FACTORY FIRES SHOW HEAVY LOSSES IN PAST

Rigid Rules Should be Enforced to Keep Down Menace

The average manufacturing plant has points of danger where the least observant would recognize the need of constant watchfulness. How many furnace rooms there are which are not cut off by fire walls. A great many factory fires have had their origin in this danger spot. The more general use of good, solid fire walls around boilers and furnaces would remove a serious fire menace. Stoves, with stove pipe chimneys, are used for heating purposes, in factory offices and work rooms alike. The stove pipe chimney needs incessant supervision while a fire is alight, for a fire hotter than is intended will send out such a heat from the pipes, perhaps red hot by this time, that the wood in the wall or roof, where the pipe passes through, becomes ignited. Stove pipe chimneys are always unsafe and should never be permitted. If a stove is needed, even for only three months in the year, it is worth while to have a bricklayer build a proper chimney. Nothing is safe that requires the presence of an attendant, for the relaxation of vigilance for a few minutes is enough to give a fire such a start that it may possibly not be overcome.

A rigid rule in all factories should obligate the placing of oily rags in metal containers provided for the purpose. Spontaneous combustion is a reality which the fire preventionist can not overlook. Many have long scoffed at spontaneous combustion as a myth invented to explain fires whose origin could not otherwise be explained. The skeptic need only moisten a handful of waste with machine oil and throw it in the sunlight to be convinced. A ball of flame will soon show what spontaneous combustion can do. In 1926 losses in Ontario from this cause amounted to $355,412. Factory owners would bring near a reduction in insurance rates if they made it impossible for a fire to start in their plants from spontaneous combustion.

Risks Overlooked

Too little attention is paid to risks of smoking. A cigarette butt thoughtlessly thrown under a work bench at six o'clock may smoulder for hours and blaze into a fire at midnight. Such a fire, of course, would be of "undetermined origin," for the smoker had scarcely noticed what he did, the plant would have been empty for hours, and there was no fire of any kind in the building when the doors were locked at six o'clock. Smoking in factories and machine shops should be outlawed.

What can be done to reduce fire losses in factories has been ably demonstrated in the United States. At the time of the Chicago and Boston conflagrations, an increase in insurance rates was the occasion for factory owners to get together and organize into mutual insuring associations. These associations determined that if they were to insure against fire there rested on them the primary obligation to prevent fire. Fire insurance and fire prevention were the twin purpose of their existence; and what a good team they made when yoked together has been proved in abundant measure. Factory losses, before the existence of factory mutuals, reached the appalling figure in the United States of $2.00 per $100 of value. The mutuals, by effective methods of fire prevention, brought the loss ratio down to 7 cents per $100. It is worth while to examine their methods of operation, for they evidently possessed themselves of a successful idea.

Factory owners who desired insurance in a factory mutual association became subject to a rigid inspection at regular intervals. Their plants had to come up to a certain required standard before admission would be granted; and this standard had to be maintained or membership would be discontinued.

Factory mutuals have made a thorough investigation into every kind of hazard incidental to industrial plants. They have studied the problems of heating and lighting, and the isolation of dangerous processes. They introduced sprinkler systems, which revolutionized industrial insurance to so great a degree; and they have insisted on a high standard of building construction and of fire extinguishing appliances throughout every plant which they undertake to insure.

If the factory losses in Ontario are to be reduced, a similar line of action should be followed by manufacturers. New plants should be made as fire resistive as possible, in lay-out and in construction; if not altogether fireproof, at least slow-burning materials should be used in construction. Boiler and furnace rooms, and hazardous processes, should be cut off by fire walls, or isolated in separate buildings, if that is possible. Chemical extinguishers or lines of fire hose should be placed in every plant; and strict, disciplinary rules, to prevent fires from carelessness, should govern employees.

Loss is Low on Sprinklered Risks

On non-sprinklered property in Canada the average loss ratio is in the neighborhood of 50 cents per $100, as compared with a loss in sprinklered risks of a little under 3 cents per $100 insured, or only about one-seventeenth as much. According to the statistical report of fire losses in Canada for 1926, there were 41 fires in which the loss exceeded $100,000, and in which the aggregate property loss was $7,749,832. On that basis, had these properties been sprinklered, instead of there being a loss of $7,749,832, there would have been a loss of only $484,000. In other words, there would have been a saving of almost $7,300,000 in the 41 risks where these fires occurred.

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Stop The Fire Waste

Cooperate in Combating Quebec's Fire Loss

IT IS everybody's duty to cooperate with the Government in combating fire losses. The Quebec Government's chief fire prevention work centers around the control of forest fires. In 1924, under the recommendation made by the Honourable H. Mercier, Minister of Lands and Forests, the Government established a special Forest Protection Service. It maintains a force of over 4,000 fire-rangers patrolling forest areas. It has enacted a law permitting the burning of slashings under certain conditions; moreover, those who go in the woods must take a special permit. So forest ravages by fire have been appreciably reduced. New observation towers have been erected and connected by telephone lines. These are wise measures, for it is our interest, it is the interest of our country's prosperity, not to let our greatest national assets go up in smoke.

JE ME SOUVIENS

We can easily understand how imperative it is to always do one's bit to save our forests. Carelessness with fire in the woods causes millions of dollars damage each year. Let us take every precaution to prevent fire.

The forest must not be considered exclusively as the producer of the timber which is required by industry and commerce. It must be regarded also, and especially in such sections of Quebec where it is growing into clumps, as the natural and necessary ornament of the landscape. Every year our picturesque landscapes attract thousands of tourists who bring to our treasury vast sums of money. Let us always be prudent, so that our country will remain attractive with its natural parks.

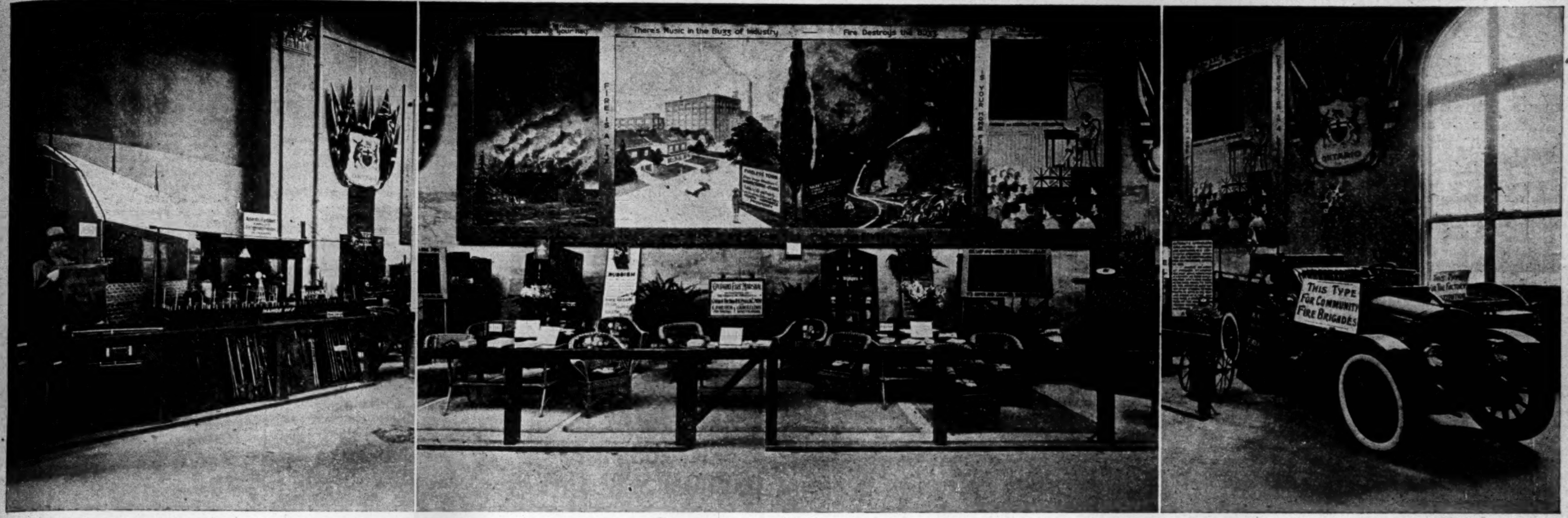
Forest fires are disastrous. They may mean loss of lives; they surely mean the stoppage of buying power and throwing of people out of work.

Half the Population of Quebec Province Draws More Than Half Its Income From Quebec's Forests

It is instantly seen how imperative it is for all Quebec citizens to always do their bit to save our forest wealth. When in the woods, by your personal carefulness, take every precaution to prevent fire. Preach the gospel of forest fire prevention. Only through the co-operation of all can our forest wealth and, indirectly, a part of your wealth, be saved.

Hon. Honore Mercier, *Minister of Lands and Forests,* Quebec, P.Q.

PROVINCES CONDUCT EDUCATIONAL CAMPAIGNS AGAINST FIRE RAVAGE



The above illustration of the Province of Ontario's booth at the Canadian National Exhibition, is typical of the work being done by the provincial authorities in driving home to the people the need of exercising constant vigilance against fire hazards. Motion pictures, pamphlets, leaflets, public addresses, and unceasing inspection work are only a few of the numerous methods used by the Provincial Fire Marshalls in their work of Fire Prevention.

Want Standard Charge for Assistance Given to Small Municipality

Cost of Sending Equipment and Men to Fight Fires in Towns and Villages is Unequally Distributed — Desire Uniform Rates

One of the problems confronting authorities in the fight against fire, is that of aiding municipalities which have not sufficient equipment to handle large incendiary outbreaks. Every village and town in the Dominion realizes the importance of having facilities at hand for putting out fires, but there comes a time when such equipment is inadequate and outside assistance has to be secured.

Where such a municipality is located near a large urban centre, assistance can be rendered with the least possible delay. Unfortunately there is such a diversity of regulations and charges in regard to outside help that the situation is now engaging the closest attention of the authorities. It is proposed to establish a standard of charges for such services.

To one unfamiliar with the situation the manner in which small towns and villages are at the mercy of fire, is appalling. In the event of a small outbreak, local equipment and citizens are usually capable of putting out the fire. But when a general conflagration takes place, the inadequacy of present methods is forcibly brought home to those directly interested.

Fires Zones Proposed

It has been proposed from time to time to divide each province into zones or areas. This is an excellent idea but there are certain factors which enter into the situation, which sometimes do not allow of such a system to be brought into operation.

Equipment Not Uniform

One of the principal drawbacks to the fire zone or area, is the great diversity of equipment in the different municipalities. Hose connections in Toronto, for example, are not suitable for Hamilton. Cities along the border, particularly the Border Cities area, have adopted the American standard of hose connections—seven and one-half threads to the inch. This has been done in order to create a more effective fire fighting unit in relation to neighboring municipalities in the United States.

This situation is not of recent origin. It has been growing for years. One manufacturer of hose connections, supplied to fire departments, is said to have made the statement that his company produces three hundred different types of connections. In the City of Windsor alone, there were at one time four different sizes of hose connections. This has since been rectified.

Uniform Charges Wanted

Aside from the matter of uniform equipment, which is a problem confronting the larger cities, there is still the question of establishing a system whereby the larger centres can supply assistance to the small municipalities on a cost basis that will be suitable to both parties.

This question has been gone into very thoroughly by Fire Chief Jas. Armstrong, Kingston, who investigated conditions in forty-eight cities in all provinces, with the exception of Prince Edward Island. Replies received from the fire chiefs at these different points disclose the fact that there is no standard charge for assistance to neighboring municipalities. The charges made run from as high as several thousand dollars per year in British Columbia down to zero. In the majority of cases no charge is made.

Opinion Divided

There is a great diversity of opinion among the fire authorities. Some believe that a charge should be made for assistance rendered, or take the opposite view. There appears to be an unanimity of opinion among the fire chiefs, that damage to apparatus and the men's time should be paid by the municipality calling for assistance.

The lack of any apparent attempt to standardize charges or services is evident from the following information supplied by fire chiefs across the Dominion:

The corporation of the city of Victoria, B. C., have a schedule of prices which are charged to the adjacent municipalities of South Saanich, Esquimalt, and also to the militia establishment at Work Point, and the navy establishment around Esquimalt Harbor.

Lethbridge does not respond any more, except by special request from the mayor of the town or city needing our help, and he has to give a guarantee for a stated sum of money (by word of mouth) before we respond.

Prince Albert makes no charge. Regina makes no charge, but the chief advises that there should be a charge. Brandon makes no charge.

St. Catharines Has System

So far in St. Catharines, when the Department goes outside the limits, only a nominal charge is made by the Fire Committee, but it is proposed to purchase a new piece of apparatus, namely, a combination pumping, chemical and hose car, which it is proposed will answer alarms from the township on each side of the city, and it is proposed to make a charge of one hundred dollars for each trip.

New Liskeard makes no charge for the apparatus. Pembroke makes no charge, but the chief there has suggested to the adjoining municipalities the purchase of a small pumper, of 400 gallon capacity, and also making provision for water supply for the pumper, which should be stationed in the Pembroke fire hall. Brockville makes no charge.

Fort William provides service free of charge. Guelph, Hamilton and Kitchener make no charge.

Hamilton is making an arrangement with the district around about the city.

Agreement With Ottawa

Ottawa has an agreement with most of the suburban districts near Ottawa, whereby they are charged $100 for the first hour when we respond, and $25 for every hour afterwards.

Peterborough has two charges, viz., section adjoining city on the south and west sides of city for which we charge $50 for three men and motor chemical; adjoining towns and others, the charge is $100 for the first hour and $50 for each succeeding hour or fraction."

Montreal grants help only when they can afford the men and apparatus, and in such cases never send any bill for expenses nor for the time of men. They usually receive some little contribution to the Montreal Firemen's Benefit Association for the assistance given.

The city of Halifax has not made any charge for such services and have always, when requested, given assistance, to nearby districts, done so gratuitously.

St. John reports no fixed charges for assistance given to suburban districts, as they are not often called on for it, but in case of the department going out of the city, expenses are expected to be paid.

This list could be extended to include all cities in Canada with the same diversity of opinion and charges. It is a regrettable situation and one which has been under consideration for years. So far no suitable solution has been found for the problem.

At a recent meeting of the Fire Marshals it was generally, agreed that in justice to the taxpayers in the individual municipalities that when heavy motor apparatus goes beyond the city limits with all the attendant risk of damage to the machine and injury to the men, some set standard of charges should be made. The neighboring municipality should not get off scot-free.

The establishment of a community machine stationed in some central locality, has been suggested as a solution of the problem. This method has been in force at Peterborough for some time and has worked out successfully. By this means where a number of small municipalities are in close proximity to each other, the cost of upkeep would not be onerous and protection would be afforded to property and life.

Saskatchewan Has Inspection System

By A. E. FISHER,
Fire Commissioner, Saskatchewan.

In Saskatchewan, the work of fire prevention is carried on by the office of the fire commissioner. The province has been divided into two parts, each being under the supervision of a resident inspector, both of which inspectors are ex-fire chiefs, and well trained in this particular class of work. Each inspector has two assistants. Every town, village, and hamlet is inspected, and, if necessary, orders are given for the remedying of hazardous conditions. This work is always carried on in co-operation with the local fire chief.

Fire prevention week of 1927 should be well observed in Saskatchewan. Arrangements have been made whereby the fire insurance agents in most of our towns and villages will be organizing local committees to work with the fire chiefs for the purpose of inspecting property, and arranging for talks in the schools on the need of reducing our fire loss, and on the need of practical fire prevention precautions in our everyday life.

Faulty Construction Causes Large Portion of Fire Waste

Faulty construction is responsible for a considerable portion of our annual fire waste. If the walls are not plastered directly on the brick or tile, the spaces between the studs should be filled at each floor from the bottom of the joists to a point at least six inches above the floor level with brick, terra cotta, concrete or other incombustible material, the material to be kept in place by blocking, which should be securely fixed between the joists in each floor or ceiling.

ALBERTA'S FIRE PREVENTION WORK ON SOUND BASIS

Operation of Department Attendant with Good Results

At the 1916 session of the legislature of the province of Alberta, an act to provide for the prevention and suppression of fires was assented to. The appointment of a fire commissioner and branch of the service essential to the carrying out of the provisions of the act was not effected until 1919, when the act was proclaimed in force on July 1st of that year. Owing to the increasing fire losses, this branch of the service was re-organized in 1920, and a thorough system put into effect, to enable the fire commissioner to cope with the situation, particularly regarding inspections and investigations, and as a result, competent and skilled inspectors were employed and a system of inspections arranged.

From that time on, the duties of the department increased. Many of the investigations conducted resulted in trials in the courts on charges of arson, and several convictions were obtained, and as a result of inspections made, numerous orders were issued for the correction of defects from a fire prevention standpoint. These results brought calls for assistance in the carrying out of both investigations and inspections by officers of the department, from fire insurance companies, city and municipal authorities, and private interests.

In order that the fire commissioner might still more efficiently carry on his duties, a new Fire Prevention Act was assented to on April 8th, 1926, repealing the old statute. The new act, in its entirety, was drafted with one aim, viz., to assist the fire commissioner's office in an endeavor to lessen the enormous fire waste and to furnish the fire commissioner with greater facilities for the detection of arson.

Must Report All Fires

Many of the provisions of the new act are of considerable importance and worthy of particular note, which can only be appreciated by a study of the entire act, but particular reference should be made to two sections.

One section requires that every person, firm or corporation, sustaining a loss by fire on property situated in Alberta, shall report such loss to the fire commissioner within five days after its occurrence, on a form provided for that purpose, and shall thereafter supply such other facts and circumstances as the fire commissioner may require, tending to establish the cause or origin of the fire.

Another section provides a fine not exceeding $10, or, in default of payment, imprisonment for a period not exceeding one month, for neglect or failure to perform such duty. This provision not only enables the fire commissioner to compile accurate fire loss statistics, but means that every loss occurring will be "checked up," and if the cause appears to be one of carelessness, wilful neglect, or of an incendiary nature, a rigid investigation will be commenced immediately by officers of the department.

In addition to investigations and inspection duties, "Clean-Up Week" and "Fire Prevention Week" have been observed. On these occasions, and at other times during the year, considerable literature has been prepared and distributed. An extensive educational campaign has been carried out, in the form of instructive lectures in schools, and public halls, press publications, and radio lectures.

AUTOMATIC SPRINKLER FIELD OF USEFULNESS IS RAPIDLY WIDENING

(Continued from page 17)

out under the engine room of a ship into the bilge, and when a fire occurs in the bilge it is one of the meanest places to handle a fire. A large tank is located in the storage department, and attached to that is the foam apparatus. In the bilge of the boat are located heat detectors—little receptacles that will hold air at any predetermined temperature, and on a rise in temperature of so many degrees per minute, by means of a device, the foam comes up under heavy pressure and floods the bilge of the ship all round the machinery and smothers the fire.

All these are mechanical problems, and we believe that we have a remedy for every hazard from fire except in the case of forest fires. The different sprinkler companies have their engineers who are engaged in meeting these problems. They are highly competent men, well qualified to meet every problem that arises, and there are devices to-day to cover practically every condition.

FIRE, HAIL, ACCIDENT, SICKNESS, BONDS, AUTOMOBILE, BURGLARY, PLATE GLASS, EMPLOYERS and PUBLIC LIABILITY, SPRINKLER LEAKAGE, EXPLOSION, TORNADO.

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OF LONDON, ENGLAND
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E. E. KENYON, *Manager*

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Licensed for fire insurance in Canada
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Head Office for Canada: 460 St. John St., MONTREAL
Kenneth Thom, Manager for Canada

North West Branch: Huron & Erie Bldg., WINNIPEG

"Fortify for Fire Fighting"

THIS is Fire Prevention Week! 15,000 lives—$50,000,000 in property—is the staggering total of the yearly fire loss in North America. It is the duty of every citizen, and we make it our business, to assist in reducing this tremendous loss. Are you doing your bit by properly protecting your property? Ask your insurance agent.

A type for every fire hazard. All are approved and labelled by Underwriters' Laboratories and will meet insurance requirements.

5 GAL.
PUMP TYPE
NON-FREEZING
FIRE
SODA & ACID TYPE
FOR FIRE
FOAM TYPE
FOR FIRE
THE FAMOUS PYRENE
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SAFETY DEVICES

PYRENE MANUFACTURING COMPANY
OF CANADA LIMITED
1197 KING ST WEST. TORONTO

Preventive Measures Lower Fire Insurance Cost a Fifth Since 1913

Canada Still Has Long Way to Travel in Overcoming Menace, Which Annually Takes Toll of $10 for Each Man, Woman and Child in Dominion

Public education to the irrecoverable loss created by fire is a long and tedious task. The average Canadian appreciates the hazard, but until the matter is brought home to him by loss of his own property, he is more inclined to look upon the need of fire prevention as some one else's business. He is inclined to believe that fire insurance protects him from all risks. Many millions of dollars are annually paid for this protection. By the use of commonsense and a little precaution, this charge upon the nation could be considerably reduced.

In the following article John A. Robertson, Chairman of the Canadian Fire Underwriters' Association, presents the views of the insurance companies on this vital subject. That the members of the Association are anxious to lower the loss from fire is evident from his remarks. Moreover, the insurance companies are willing to reduce their tariffs if the property owner will exercise proper care and eliminate the fire hazard.

Fire insurance rates are too high; that is to say, the cost to the community of fire insurance protection is too high.

Fire insurance is like any other business conducted in the hope of making a profit. But it is remarkably different from other businesses in this way. When a man sells an article in a store he knows what it has cost him and he knows how much he has made out of it, so that so far as he is concerned the transaction is closed. But in fire insurance the selling of the policy is only the beginning. The company does not know whether that particular policy will be a profit or a loss, nor can it know until the expiration of the policy which may be a year or three years afterwards. Of course, it is sold in the hope that it will be profitable, but certainly the company does not know.

Experience Rules Rates

There have to be some means by which the rate of a policy is arrived at and that is got nowadays from the long experience of insurance in that particular kind of risk and by a consideration of all the records, as in our association. On that basis the rate is made. Certain allowance may be made for probable changes in conditions in any special kind of business, but in the main the rates are made on the strength of experience.

During the last fifteen years there have been a very large number of superior buildings erected both for factory and for mercantile purposes as well as for office use—fireproof buildings. These carry very large amounts of insurance because they are compelled to; they could not be insured unless they carried a co-insurance clause. And they carry the insurance at low rates. Again, in the last fifteen years, almost every important factory risk in Canada has been equipped with automatic sprinklers. The insurance on these factories runs into several million dollars. So that in these fifteen years there has been an enormous increase in the low rated properties, and that is the main reason why insurance to the community as a whole is lower to-day by 20 per cent. than it was in 1913.

Too Many Losses

Rates are too high. But why are they too high? They are too high because the losses are too considerable. The question then is, why are there so many losses? There may be some intentional wrong doing although it is not quite so serious as it is often thought to be. But what does cause losses is the curse of North America so far as fire insurance is concerned. Carefully compiled statistics of the causes of losses show that at least 75 per cent. of them are avoidable; that is to say, they are due to indifference or carelessness.

Fire Due to Carelessness

The common causes are the lighted cigarettes thrown away, the carelessly thrown away match, the glowing stovepipe, the defective chimney and so on.

Take for instance Mrs. Duffey's famous cow. Everyone knows that it was this animal that kicked over the lantern, and started the famous Chicago fire, which destroyed property estimated to be valued at $145,000,000 and on which there was $97,000,000 of insurance.

That was a clear case of carelessness. She placed the lantern so that the cow could kick it over. She did not do this intentionally of course, but there was no reason why she should have put it in a position for the cow to kick it over. We say that carelessness is the prime cause of fires.

Sympathy Misplaced

Now, why is carelessness not checked? It can be checked but why is it not? It is not checked because there is not one body of public opinion that exerts itself in the idea of preventing fires. Public opinion has not yet formed itself against those who are responsible through carelessness for the starting of fires. People generally do not regard the man who has started a fire as an enemy of the community as a whole. Instead of that, the general feeling is one of sympathy toward the man who has had a fire. No one seems to think of those people who have to pay for fires. The man who is careful and who suffers through the carelessness of others is the man who deserves sympathy.

A few years ago, there was an investigation into insurance matters in Ontario. The commissioner was the Hon. Justice Masten of the Supreme Court of Ontario, and he conducted an enquiry over a period of two years, during which time he investigated the insurance business generally, and the Fire Underwriters Association in particular. These are his views regarding the question of fire losses:

"This fact leads to the conclusion that legal and moral responsibility should be so fixed that the careless cannot distribute the consequences of their negligence among the prudent and careful. This idea was emphasized in the evidence before me where it was pointed out that our great fire losses cannot be remedied until the individual who has a fire is considered as an enemy of the community, and dealt with accordingly; that it is not to the man who has the fire that sympathy is due, but to those who do not have fires and who suffer by and pay for the losses. And it was urged that the most effective means of fire prevention was to provide that the individual who has had a fire should be placed in the proper position of an enemy to his fellow citizens, and that he should be made responsible, where unable to prove that it was not his own carelessness or neglect that the fire happened, both for the cost of extinguishing the fire and for any damages done to the property of others. In other words, that the aim should be to change entirely the general point of view from which fire losses are now looked at, so that the one who has no fire will be regarded as a good citizen and the one to be protected, while on the other hand, he who permits his property to burn will be regarded as stealing from the wealth of the community and to be dealt with accordingly."

Community Pays for Fire

Sometimes the papers report a fire and you go on to read the statement that the loss was fully covered by insurance. That seems quite satisfactory; it is a proper conclusion to the matter, because you say the insurance company will pay the loss. But the insurance company does not pay the loss; you pay it. The people who do not have fires are the ones who pay the loss and not the company. The company merely collects from the community and hands over your money to the man who has had the fire.

Everything tends to raise the cost of insurance. Legislatures, by their variations in, and additions and amendments to the Insurance Acts; judges, by the view they take, which is the common one, that the man who has a fire must have sympathy; newspapers who are of the same opinion; all these conspire to put up the cost of insurance. Until that attitude is changed one cannot expect to have a reduction in fires.

European Laws Stringent

A certain gentleman from Hartford, Conn., a prominent official of one of the Connecticut insurance companies, was on a visit to Europe and in the course of his journeyings he took an apartment in a large city. On the second day of his stay in the apartment he noticed that from an earthenware stove in one of the rooms smoke was coming up. He was an observant gentleman, interested in fire insurance matters, and he had noticed that there was an alarm box not far away from his apartment, so he put on his hat, rushed out, put in the alarm and rushed back.

A policeman came up and the man explained that a fire had started in his apartment and that he was going back. The policeman said he would go along with him. Very shortly afterwards the fire department came along and they quickly put out the fire. It was not a serious one, just the flooring around the stove having caught. They fixed the floor up, put down the rugs and re-arranged the furniture and left. But that was not all. The policeman informed this gentleman that he would have to go to the police station, and there he was asked to explain the origin of the fire.

All he could say was that he had just taken the apartment and knew nothing about the construction of the place. That was all he could say about it. They then got hold of the landlord and asked him for an explanation. His statement was that he had only recently bought the property from another man. This other man was obtained and his explanation was that he had had a contractor build the place for him and he believed everything was all right. So they got in touch with the contractor and they informed him that he had not built the place in accordance with the municipal by-laws. He had to make good the damage and pay a fine and the tenant was allowed to go free.

Fire Losses Low

That is an illustration of the severity of the law over there. We would not care to live under a dispensation so severe as that, but what is the result of it? Well, the fire losses in Canada, and for that matter in North America, cost between $4 and $5 per head of the population while the fire losses in that country do not cost more than 50 cents per head; and while we pay $1 in fire insurance premiums they pay 10 cents. In fact, there is one country in Europe where the cost as compared with our dollar is only five cents.

Fire insurance losses are not material to the insurance companies; they know they will collect enough money from the public to pay their losses or else they must go out of business. The losses may be high or low, but they will collect enough and the premium rates will certainly follow the losses. If the losses are high, the rates will be high; and similarly if the losses are low, the rates will go down.

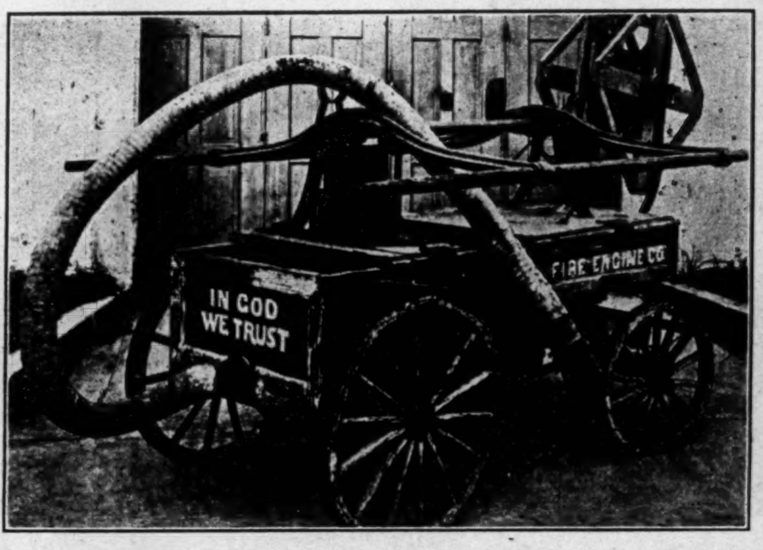
Judge Masten in another place observes that there has been a great effort to educate the public into being careful. On this point Mr. Justice Masten says:

"What is needed is not to educate the public at large in the idea that fires are accidents; but that in a majority of cases fires are due to acts or omissions of individuals who are responsible for the costs they inflict upon the community at large. This responsibility should be brought home to them through the application of the law. The only educational work of use in fire prevention is that showing the public at large the necessity of a re-statement in statutory form of the common law principle of legal responsibility."

What the people really must keep in mind is this, that he who burns anything by carelessness or indifference, or permits anything to be burned, is really an enemy. He destroys something, and that is so much that is extracted from the general wealth. Anything burned is absolutely gone.

If losses are high the rates are high; and if the losses are going to continue as they have done during the last fifty years in North America the people will have to reconcile themselves to the fact that they will have to pay and pay high.

Modern Fire Prevention Has Humble Beginning



One hundred years ago this fire-engine pump, operated byhand, was the pride of its owners. At that time it represented a big advance over the bucket brigade. Since then remarkable improvements have been wrought in fire fighting equipment, but the greatest need is still prevention rather than devising mechanical means of subduing fire.

Quebec Helps Fire Brigades

By P. J. JOBIN,
Fire Commissioner, Province of Quebec.

Community fire brigades in rural districts and small settlements, to assist in the installation of which a government fund was created have been established in the province of Quebec for the last fifteen years, because our government does not require any repayments to be made.

The Lieutenant Governor in Council may devote annually a sum of $100,000 to the giving of premiums to village municipalities which supply themselves with efficient fire extinguishing apparatus to the satisfaction of the Commissioner. This sum of $10,000 has since been increased to $100,000, and up to date a total of nearly $400,000 has been distributed among municipalities to help them secure efficient fire fighting systems, the total cost of which must have been in the neighborhood of $1,200,000. All the municipalities that are so protected have adopted fire prevention by-laws as a condition to the payment of the grant.

When it is considered that subsidies have been paid in this way to nearly 150 municipalities, it is not hard to realize what this additional protection means in the decreasing of our fire losses. Without such aid from the government these municipalities or at least a good percentage of them, would be absolutely without any protection at all against fire.

Of the good results of such legislation we have proofs in our files; they cannot be denied, and to a certain degree such measures are responsible for the diminution in the fire losses in the province of Quebec. There is still, however, much to be done, and the officers of the Quebec Provincial Fire Commission are doing all in their power to further the great cause of fire prevention.

BUREAU SUBJECTS SUSPICIOUS FIRES TO CLOSE SCRUTINY

Underwriters' Organization Stamping Out Incendiarism

Although in existence a few short years, the Fire Underwriters Investigation and Loss Information Bureau of Canada, has come to be recognized as a clearing house for information on fires and incendiarists in the Dominion.

This organization was formed in 1923, shortly after a very serious fire of incendiary origin which occurred in Montreal. During the course of that investigation, the necessity of having an organization which could maintain close contact with, and lend assistance to the public authorities, became apparent to the members of the Canadian Fire Underwriters' Association, resulting in the formation of the Bureau, under the managership of Harry Rethoret.

The original territory only included the Provinces of Quebec and Ontario, but the results which become immediately apparent, shortly led to the decision to extend this work to the entire Dominion of Canada, and in January, 1926, the Bureau was separated from the Canadian Fire Underwriters' Association, so as to permit the extension of this work.

Represents Many Concerns

The original membership consisted only of companies, also members of the Canadian Fire Underwriters' Association, but in 1926 a ruling was passed inviting all licensed companies to become members, with the immediate result that twenty-five other companies joined the Bureau before May, 1926. The membership has shown a constant increase, and it speaks well for the Bureau that none of the member companies have ever withdrawn.

Naturally work of this nature requires men of more than usual ability, as all authorities seem to agree on the subject that arson is one of the most difficult, if not the most difficult crime to investigate successfully.

Investigators of this Bureau are drawn from organizations of well known fame, such as Royal Canadian Mounted Police, etc. These men then undergo a special training in civil law of insurance, criminal law, court procedure, and at the same time they obtain the necessary practical experience by attending the work of the experienced men of this Bureau.

Suspicious Fires Classified

Fires of other than accidental origin are for purposes of investigation divided into the following principal groups, according to their motive:

1. To conceal evidence of some other crime.
2. Malice or revenge.
3. Malicious mischief.
4. Pyromania or some other form of insanity.
5. Desire to defraud insurer.

The last named class is, of course, the most common, while pyromania, owing to lack of definite motive is the most difficult class to investigate.

As stated previously, this work is very difficult, but many cases, which are now temporarily classed as "unknown origin" could be successfully finished, if the authorities charged with this work would receive more co-operation from the general public. Frequently suspicious circumstances arouse the curiosity of neighbors or passersby—such as the removal of furniture, stock, fixtures, etc., a smell of kerosene, gasoline or other inflammable oils, etc.

Such circumstances, promptly drawn to the attention of the investigators, often furnish the necessary clue to unravel an apparently mysterious fire.

Need Co-operation

It is natural that the average citizen should feel reluctant about appearing in court as a witness, yet if they would also consider that the activities of the incendiary might sooner or later endanger the lives of the members of his own family, of the firemen who fight these fires or again, that a fire of criminal origin might spread to his own place of business with disastrous results, he certainly would not hesitate to co-operate, with a view of placing one of the most dangerous criminals where he cannot do any more harm, namely, behind the bars.

Lumber Industry Benefits By Effective Fire Prevention

Effective fire protection leads to a stable and permanent lumber industry in the community, with consequent permanent employment of its members. Those who would not benefit directly by securing employment would serve or supply those who would so benefit. Contrast this with areas open to recurring fires, greatly retarding, or, in some cases, completely preventing the natural restocking of the area by commercial trees. It also results in increased taxation, a stranded population, often compelled to eke out a mere existence by hunting and fishing.

Communities offer special inducements to industries to locate in their midst, and these industries often furnish, directly or indirectly, the means of livelihood for the greater portion of the inhabitants. The removal of this industry would be vigorously fought by the citizens. Why, then, should they not fight against the removal of the forest by fire?

OCCUPANCY HAZARD CAN BE OVERCOME

Regular Examination of Building Contents Necessary

A so-called fire-proof building may be filled with flammable material, and if the contents take fire the structure may be destroyed.

All that one has to do to burn anything—with the possible exception of real pearls—is to raise the temperature to the burning point and sustain the heat for sufficient time.

In designing a building the occupancy hazard should always be considered and plans made accordingly. One does not expect to find the basement of an office building used as a storage warehouse and yet such is the case.

When the contents are of a flammable character, the burnable areas should be reduced by the erection of fire walls and the closing of all vertical and horizontal openings by fire doors so as to confine the fire to the space where it originates. Wherever there are holes in walls for pipes or shafting they should be closed with masonry or by fastening fine mesh brass wire screens on both sides of the wall to prevent spread of fire.

The installation of an automatic sprinkler system should never be neglected, especially in basements and shafts.

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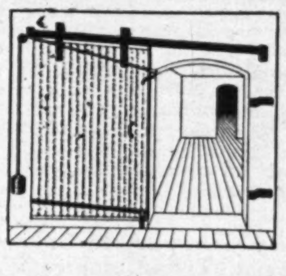

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ASSOCIATION WORK IN CANADA SHOWS SPLENDID RESULTS

Fire Loss Declines by Thirty Per Cent. in Five Years

Losses by fire in the year 1926 show a gratifying reduction in the total amount of property destroyed by fire, according to G. D. Finlayson, secretary of the Dominion Fire Prevention Association. While the decrease for any one year may not appear impressive, a comparison of the losses for 1926 with the losses for 1922 shows a reduction of almost exactly 30 per cent., the change in figures being from approximately $54,500,000 to $38,500,000.

The reasons that would be given for this decrease will probably vary with the particular viewpoint of the person attempting the estimate. Many will attribute it to the passing, in large measure, of the industrial and financial depression which existed in 1922, and there is no doubt much to be said for this view. At the same time Mr. Finlayson claims that the work of the fire prevention organizations has contributed to the improvement in the fire record, not only by their insistence on greater care in preventing fires from occurring, but also by their encouragement of better building methods and better means for dealing with such fires as do occur.

Sprinkler Proves Value

The insurance companies have continued to give a greater measure of encouragement to the installation of automatic sprinkler equipment by substantially reducing rates in the sprinklered risk class. It is believed that so long as the experience of this class of risks continues favorable, the public will be given the full benefit of their efforts to improve their own risks. Fire prevention is, after all, very largely a problem for the owners of the large properties, and the evidence is overwhelming that these large properties can be rendered practically immune from fire by an expenditure which, from the savings in insurance premiums alone, constitute a splendid investment.

The volume of sprinkler installation is steadily increasing and the record of practical immunity from fire enjoyed by properties so protected is being continued.

Fire Losses Normal

From the fire insurance standpoint the business of the year 1926 has shown a return to normal experience, and for the first time in five years the loss ratio has dropped below 50 per cent. For the five-year period the ratio has been approximately 58 per cent.

Says Mr. Finlayson:

> "The work of the association should not be allowed to suffer by reason of the apparent success of our efforts in reducing fires. Even with the improved showing, the record is still very much to our discredit. The best efforts of everyone are still called for if the stigma attaching to us as a wasteful nation is to be removed.

FIRE LOSSES ARE CLOSELY CHECKED

Methods of Collecting Information Vary, But Results Accurate

Although various methods are in use in the different provinces in regard to the collection of statistics on fire losses, final returns are checked and cross-checked so that a reasonably accurate estimate can be made of Canada's annual bill arising from fire hazards.

In Ontario there is a very fine reporting system in force. The system follows the National Board of Fire Underwriters' classification, and it gives a very complete view of the entire fire situation in the province. In Nova Scotia and New Brunswick the same methods are followed, and reports come in from these two provinces quite early in the year in respect to the losses that have occurred in the past calendar year. In Prince Edward Island the same practice is followed. The British Columbia system also is one that brings in a report of every fire no matter how small, so that the report to me is practically complete. In the province of Manitoba up to the present time there has been no loss recording system in force that would give one an intelligent idea of the fire waste for the year, but they are instituting such a system.

In Alberta up to the present time there has been no system in force for collecting statistics on fire losses. In Saskatchewan the system is quite complete, the only drawback being that the statement is not forthcoming earlier in the year.

No System in Quebec

In Quebec there is no statistical recording system in respect to fire losses in force at the present time, although the provincial statistician is endeavoring to formulate and put into force such a system. What has been done in that province in collecting statistics is that in the case of all fires exceeding $10,000 the various reports are taken from the fire departments or from newspaper clippings, and these are referred to the insurance companies, so that an accurate statement is obtained of the loss and of the insurance loss on all fires exceeding $10,000.

In regard to fires of less than $10,000, the fire departments report to the Dominion Fire Commissioner, but the figures given are not usually very accurate; they cannot be, because it is not within the power of the fire officer to determine just exactly what the loss is. However, on the basis that the bulk of the fire loss occurs in fires that exceed $10,000, figures respecting the province of Quebec are reasonably accurate, as can be easily determined by referring to the insurance companies' losses as reported in the blue book of the Dominion Superintendent of Insurance and cross-checking. In that way there is very little room for error.

Canada Behind in Race Against Fire Hazard

We are even yet a long way behind in the race as against fire hazards, and it will take us many, many years to catch up to the acts of meddlesome man, but if we put forward our entire energy in our respective provinces we can expect the losses in Canada, despite the ever-increasing hazards, to gradually and surely come down to where they ought to be, so that the future will show us with a loss ratio that will compare favorably with the other nations of the world.

—H. H. McLELLAN.

APARTMENT HOUSE FIRE HAZARD NEEDS CAREFUL WATCHING

Growing Height of Buildings Require New Safeguards

By J. CLARK REILLY.

The best fire protection is to prevent the fire before it starts—before the building is erected. Noteworthy progress has been made in the type of building construction, especially with a view to fire prevention, by putting up a fireproof type of building. It is marvellous the advances that have been made in the past few years, and the architect, the engineer, and the builder who are putting up that type of building to-day are thoroughly in league with fire prevention work because one of the best methods of prevention is to put up a fireproof type of building.

No matter what means are taken to prevent fires, we are liable to be behind the times because the law always seems to be behind the emergency. This can be best illustrated in two ways.

A photograph in a recent issue of the New York Times pictured a fireproof building, one of the immense tower buildings being put up in New York City. While it was in process of erection, the scaffolding that was being used around the 31st story caught fire and became a flaming torch, and for blocks around there came embers that started a dozen fires that had to be put out. The fire occurred at such a height that the water pressure was not sufficient to reach it on this high building. The point to be stressed is this: Are we keeping up with our new buildings in our matters of fire protection? Are we giving our fire chiefs the apparatus that is required to deal with a fire in the new modern building, even though it may be of what is called fireproof construction? In regard to human life, are we protecting the people who may be using these buildings?

The second point is this. In the past few years there has been a great advance not only in the way in which buildings are constructed, but also in the method of their financing, which has a definite effect upon the cost of construction. In place of the old mortgage or advance by one individual, we now have the first, second and third mortgage bond, and other securities, and the promoter has arisen who seeks to erect buildings in our cities, and whose business it is to get the most he can out of you and at the same time cut down the cost of the building, and there is one type of construction particularly in which that has had this effect.

Apartment House Type Varies

This applies to apartment houses that are fireproof; there are some that are not; some are slow-burning; some are probably quick-burning. In view of the fact that in so many instances the contractor is asked to cut down to the very minimum, and perhaps the city council is asked to shade down certain regulations, it is debatable whether these new types of buildings erected in that way, and not fireproof in construction, do not constitute a new type of fire menace.

According to the returns the fire losses from that type of building have not been very bad. But in this country these new problems are coming up because the type of construction is advancing so rapidly, and because the methods of financing are changing so rapidly, and always there is the effort on the part of the promoter to try and skimp the building if he can. The contractor is not going to be out of pocket if he can help it, and there is the danger. In all that there is involved the question of home property and human life, and I think it is the duty of everyone to see that our fire chiefs have the proper apparatus, and that the work of fire prevention in the building of the future is adequately provided for.

MAKE OLD BUILDINGS SAFE

Many old buildings, especially hospitals, schools and other public institutions, can be remodelled and made at least slow-burning, by cutting of wings, stairways, shafts, etc., with modern fire-resistive material, without in any way interfering with the convenience or adequacy of the structure.

Manitoba's Good Record

There has been no forest fire in Manitoba this season, and now as the dry season is at hand, the air patrols will be doubly vigilant to keep the record unbroken. Woodsmen and campers have co-operated with the Dominion and Provincial governments, to eliminate the cause of fires, the patrol officials say. Planes will be kept on duty until late in October.

PICTURE INDUSTRY FIGHTS FIRE DANGER

New Type of Building Will Soon be Erected in Vancouver

There are in Canada at present six centres from which motion pictures are distributed. They are located at St. John, for the Maritime Provinces; Montreal, for the province of Quebec; Toronto for Ontario; Winnipeg, and Calgary, for the West.

In these six centres there has accumulated a vast amount of film which is highly explosive and dangerous to human life and surrounding property. It is the job of the distributors to take care of that film in such a way that we will not add to the fire losses in Canada, and not add to the losses of human life. For seven years motion picture distributors have been working out a system in the United States and Canada for handling film. Gradually there is being worked out a system which is quite different from that in force five years ago.

Separate Films and Paper

The old idea was that film could be mixed up in the office with posters, paper, and all the other accessories of the motion picture business. There was no careful separation of the film from the office or from the accessories department. To-day the film is divided from the office and from the accessories. The distributors were convinced by Fire Marshals and others that they should get into fireproof buildings, and that they should have special vaults with vents opening to the outside air, with each vault having its own vent, and no one vault being above another, and no vent interfering with another vent, and so on.

In the past and at present to some extent, distributors' buildings are of two, and three and more storys, and an exchange here and there.

Erect New Building

A new type of building will shortly be erected in Vancouver. Instead of putting exchanges on top of one another, all exchanges will be on one floor. It is a one story building, and each will have a well-ventilated vault. There will be a fire wall between each two exchanges, and in the event of an explosion or fire occurring, it is hoped by adopting this class of building that the fire will be confined to that particular exchange in which it occurs.

How Fires Start; Chief Causes Shown

Causes Reported	No. of Fires
Overheated stoves, furnaces, and pipes	3,273
Sparks on roofs	2,516
Smoking	2,162
Electrical defects	2,028
Lightning	1,627
Defective chimneys and flues	1,573
Carelessness with matches	1,449
Coal-oil and gasoline	986
Hot ashes and coals	554
Portable lamps and lanterns	498
Open grate fires	372
Spontaneous combustion	339
Incendiarism	246
Misc. known causes	5,916
Unknown causes	6,928
Total	30,467

B.C. Makes 50,000 Fire Inspections

By JOHN A. THOMAS,
Fire Marshall, British Columbia.

At the end of last year, 1926, I was able to report to the Attorney General of British Columbia that during that year 50,000 inspections had been made in the province by the Assistant Fire Marshals, that 5,000 orders to clean up dangerous conditions had been issued and enforced, second inspections being made to see that they were enforced, and 29 of our citizens were taken into court, convicted and fined for failure to carry out the orders of the Fire Marshal. During a period of six years, seven of our citizens have been given free board in our public institutions for a period of five years each for attempting to sell out their premises to the insurance companies. In two cases I failed to get convictions, but in one of those two cases the accused failed to remember that when he was under examination before me, under oath, he made certain statements which he contradicted to some extent when he was on trial in court, so the minute the jury came in with a verdict of not guilty, before he was outside of the court room I arrested him again and charged him with perjury, and he was convicted of that offence.

As to our legislation in British Columbia, the Fire Marshall Act of British Columbia has been brought up with the assistance and advice of my fellow Fire Marshals, members of this organization, and the insurance organizations of British Columbia and others, from all of whom I have received sympathy and co-operation.

My hope is that within the next three years every industrial plant and every warehouse in British Columbia shall be equipped with the sprinkler system, that every theatre shall be provided with proper exits and proper equipment.

Employment Increases

Coming to the matter of fire losses, I do not expect to be able to say that we have reduced the fire losses in British Columbia by many millions, because we are a new country, and our growth is something wonderful. I quote from the annual report of the Workmen's Compensation Board for 1926:

"On December 31st, 1926, there were 7,613 employing firms on the record as compared with 7,197 at the end of 1925, 6,838 in 1924, 6,524 in 1923, 6,524 in 1922, and 6,393 in 1921."

In other words there has been an increase in a few short years of over 1,000 employing firms. The total payrolls of these industries amounted in 1926 to approximately $175,000,000, as compared with $129,000,000, odd in 1921. So under those conditions, with so much more at stake every year, I think if we hold the fire loss in British Columbia at the same level, we are doing pretty well. It is true that last year was the best of the last four years. As to the period before that, I estimate that about 40 per cent. of the fires that occurred in British Columbia prior to the time the Fire Marshal Act came into force were never reported, the only reports coming in being those of the insurance companies covering their losses, and the consequence was that during the first year the Fire Marshal Act came into operation, on account of all fires being reported, while I do not believe we had any more fires in that year, the losses jumped over $1,000,000. Since then it has been held pretty nearly level.

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NOVA SCOTIA HAS FIRE ZONE AREAS; FIRST IN CANADA

Commission Accomplishes Excellent Results in Prevention Work

By MAJOR J. A. RUDLAND.

The Nova Scotia Fire Prevention Act was passed by the local legislature in 1919. Under its provisions a Commission was appointed consisting of six members, two appointed by the Lieutenant Governor in the Council, two by the Union of Nova Scotia Municipalities and two by the Nova Scotia Board of Fire Underwriters.

This Commission known as the Nova Scotia Fire Prevention Board, was clothed with the necessary authority to enforce the Fire Prevention Act. The first and organization meeting of the Board took place in June, 1920. At the second meeting held the following month, an official to be known as the Fire Marshal was appointed and the Act came into active operation.

At present New Brunswick and Nova Scotia are the only provinces in which the Commission form of control obtains. The members of the Nova Scotia Board receive no remuneration and of the six members first appointed three are still serving.

Fire Losses Decline

In the first report submitted for 1920-21 the total fire loss of the province was shown as $3,545.818. In the last report for 1925-1926 the total fire loss is $1,882,701. Approximately 100 fires have been investigated each year. Many improvements have resulted from these investigations due to better methods of construction advocated. Proper fire fighting and alarm systems have been installed in many instances and conditions generally are much improved from the standpoint of both fire protection and fire prevention.

Fifty-six persons have been arrested and charged with the crime of arson during the six year period referred to. Of these twenty were convicted of arson, two of the greater crime of murder followed by arson, two for theft followed by fire, and three persons were found to be insane and were committed to asylums. That is a total of twenty-seven were convicted and sentenced. or otherwise appropriately dealt with, and twenty-nine were acquitted upon the trial. The results were approximately fifty per cent. successful.

Inspection work in the business districts in cities and towns has been developed along local lines, and while the Fire Marshal insists that it is the duty of the local authorities to carry out this work, every opportunity to assist town officials is promptly taken advantage of.

Secure Organized Protection

The situation in the smaller and younger towns and in the more closely built up villages has given the Board grave concern. Notwithstanding the work already done many of these have no efficient organization or equipment to safeguard life and property from fire. The Board has been making a study of these serious conditions and is conferring with the incorporated towns and rural communities for the purpose of obtaining, if possible, their co-operation in a general move toward organized protection. We believe that education should precede legislation, but there can be no doubt in the mind of any observing man that action is an urgent necessity too long delayed. A pamphlet on this subject was prepared by the Fire Marshall which, together with a questionnaire, has been sent out by the Secretary of the Union of Municipalities, together with a separate sheet with the questionnaire printed thereon, with a request that the list be completed and returned to the secretary of the Union in order that the whole matter may be discussed at the next annual meeting of the Union in August next.

Devise Zoning System

In connection with those areas of the province which are protected with a water supply system and have an organized fire department, the Board has been studying carefully the possibility of such districts giving more assistance to each other in case of urgent need. One of the most serious obstacles in any attempt to assist is the absence of any standard hose coupling. This generally means that the hose couplings of any one town will not fit the hydrant nozzles of another town.

As assistance is not asked for until the conflagration threatens to be too heavy for the local department to handle alone, the wisdom of having interchangeable hose couplings will be readily apparent. There are about forty water systems in the province and probably half as many different measurements in hose couplings due to the non-adoption of a standard hose coupling. To establish a standard to-day and to compel the owner of every water system in the province to conform to it may be desirable, but in the opinion of the Board the expense would not be justifiable, especially as a satisfactory result by a different and less expensive solution of the trouble can be had.

Legislation was therefore prepared, and at the last session of the local legislature an Act was passed under the provisions of which the province is divided into four zones and a thread established for each zone. A standard specification is not established for each zone, merely the number of threads to the inch. It is confidently expected, however, that in the course of a few years each zone will have but one uniform thread measurement. In the interim the use of hose adapters has been made compulsory. The Island of Cape Breton which contains four of our eighteen counties, already has a standard thread.

Each year an organized Fire Prevention campaign is carried out in the province, every effort being made to ensure an effective program. The Marshal maintains this work throughout the entire year, seizing every opportunity which presents itself to talk practical fire prevention, at luncheon club meetings, public schools, public meetings, etc. As a result a different viewpoint as to fire losses is being slowly but surely adopted.

Provide Text Book

With respect to educational work in the schools, Nova Scotia has the distinction of being the first province in the Dominion to provide a text book on "Practical Fire Prevention" for use in the public schools. We are further proud of the fact that the book is entirely a home product, written by Dr. J. D. Logan, a Nova Scotian. The manual, having been thoroughly reviewed by the Council of Public instruction was authorized for use in the public schools competition among school pupils of certain grades in Fire Prevention essay writing. The results were splendid and very interesting. Two of the main prizes were won by pupils of village schools. A trophy is also offered for competition. to be held by the school of which the premier prize winner is a pupil. It is proposed to repeat this competition each year.

Fire Takes Heavy Toll from Provinces

Provinces	1925	1926
Alberta	$2,284,561	$3,073,438
British Columbia	4,176,840	3,638,427
Manitoba	2,637,430	2,449,186
New Brunswick	1,809,150	1,679,411
Nova Scotia	2,284,150	1,828,195
Ontario	13,845,524	12,482,993
Prince Edward Island	148,360	384,234
Quebec	9,879,870	9,845,511
Saskatchewan	3,409,790	2,714,971
Floater	236,500	198,730
Total	$40,712,175	$38,395,096

SMOKEPROOF TOWER BEST

A smokeproof tower stairway is one of the best known means of safe escape from a burning building, and should be considered a necessary part of all school buildings, hospitals, hotels, department stores and other public or semi-public institutions. Besides its many advantages as a safe means of exit the tower-stairway provides a protected position from which firemen can attack a fire on any floor.

NORTH'S GROWTH IS INFLUENCED BY FIRE HAZARDS

(Continued from page 17)

est possible objection on the part of settlers in all provinces to restrictions on their burning operations. This was notably the case around Haileybury.

Moral Improved

Now, this moral or psychological factor is everywhere tremendously improved, due partly to the hard lessons of the past, and largely to the vigorous educational campaigns carried on by the several forest protection services and by the Canadian Forestry Association. Laws are enforced quite generally that no fires are to be set out during the close season except on permit issued by a forest officer. The idea is to never allow fires to be set out during dangerously dry weather, never to allow them to burn unattended, to burn debris only in piles and at a distance from the edge of the forest, and to extinguish the fires with water or earth if the weather becomes threatening.

There is a strong tendency to delay burning until safe weather in the fall, and to burn in the evening when the wind is down and the humidity higher than during the day. The feasibility of such restrictions has been amply proved by experience, and their acceptance locally has been aided by the higher prices obtainable for pulpwood cut from settlers' lots. In the earlier years, prices were so low that settlers could scarcely make wages from the sale of pulpwood, and the feeling was general that the most feasible method of clearing was the wholesale use of fire—the more fire the better. This sentiment has now been almost altogether overcome, to the greater safety and advantage of all concerned.

Travel Permits Helpful

Another adaptation of the permit system is the so-called travel permit. This is a system of registration of woods travelers, whereby their names, addresses and destinations are recorded by forest officers, as they enter the forest. The moral effect on woods travelers is marked, in promoting greater care with smoking materials and camp fires.

Since the greatest hazard to settlements and towns in the north is external, in the form of forest or ground fires coming in from the outside, and since the wholesale removal of inflammable debris on the enormous areas involved would be prohibitively expensive, it follows that this hazard should be neutralized locally. For farms and farming settlements, experience has repeatedly proved the effectiveness of clearing and cultivation around buildings in saving life and property.

Fireguards Effective

For towns and villages, where complete cultivation of the surrounding area is not feasible, experience has again shown the effectiveness of cleared fire-guards, maintained free of inflammable debris. To a large degree, this is a problem for local solution, but the government of Ontario, in view of the peculiarly hazardous conditions obtaining, and of the heavy losses in life and property during past years, has taken the lead in extending government aid in this respect. Special appropriations have been made for clearing townsites and removing fire hazards, amounting to $10,000 in 1921, the same in 1922, $100,000 in 1923, $35,000 in 1924 and $50,000 each in 1925, 1926 and 1927. A large proportion of these amounts were expended and the added safety resulting has amply justified the cost.

In line with the general idea of fire guards to check the spread of forest fires and to serve as vantage points for suppression, some reference is in order as to highway construction through forest areas. In the earlier years, the practice was to pile highway slash in windrows along the roadside and leave it there. Obviously, this constitutes a serious fire hazard, which may accelerate the spread of fire, with serious damage to the roadbed, besides rendering the road impassable in case of a large fire. These conditions still obtain in some provinces, while in others the contracts call for piling debris in the centre of the roadway and burning under safe control, during the construction stage. Such a highway thus becomes an element of safety instead of the reverse.

Protection from Forest Vital

The point has already been strongly stressed that the safety of our northern towns and villages depends in a large measure upon the protection of the surrounding forest areas from destruction by fire. It follows, therefore, that the several government forest services constitute the great mainstay in this respect. These organizations, while by no means perfect as yet, have increased steadily in efficiency, with increased financial and moral support. They are literally the fire departments of the great back country, and have in innumerable cases been the saviours of isolated communities, towns and villages from forest conflagrations. The fire rangers make their daily patrols to discover and extinguish fires.

In some provinces they are aided by air patrol, of which the greatest development has been in Ontario, but with very substantial development in Alberta, Manitoba, Quebec and British Columbia. In the detection, reporting and extinguishing of fires there has been a truly remarkable utilization of mechanical equipment, including lookout towers, telephones, motor cars, motor boats, aircraft, portable gasoline pumping units and portable hand pumps attached to knapsack water bags.

Much Mechanical Equipment

It is estimated that throughout the Dominion, there are in use by government and private organizations not less than 1,200 portable gasoline pumping units, chiefly of the two-cylinder type, and 8,000 of the hand pumps with knapsack waterbag attachment. In many cases the gasoline pumping units have been the means of saving settlements, towns, villages, mills and other improved property from destruction, to say nothing of their invaluable contribution to forest protection. Machinery and mechanical equipment generally are multiplying the effectiveness of forest protection forces just as they have done in the manufacturing industries.

Forest protection has become a highly technical and highly specialized job, where knowledge and experience count heavily and are absolutely essential if results are to be secured. Meteorological services and forest protection organizations are co-operating in the attempt to work our fire weather forecasting in a really practical way, and some valuable results have already been secured.

Bad Fires Periodic

Bad fire years recur periodically, perhaps at intervals of four or five years. Occasionally we have two "crisis years" in succession, as in 1922 and 1923 in eastern Canada. The period of extreme fire danger during any given year is usually of limited duration. Any help in forecasting the occurrence of such periods would be invaluable to forest protection organizations.

It should be remembered that towns and villages are seriously threatened from the outside, only when fires have burned long enough to attain a wide front, or when a number of small fires are close enough together to form a wide front. No one may be bold enough to claim that these conditions cannot occur again, but it is certain at least that there is much less chance than was formerly the case, thanks to the "fire consciousness" that has in part been developed on the part of the general public and to the steadily increasing efficiency of the organizations whose business it is to prevent the occurrence of fires and to put them out when they do occur.

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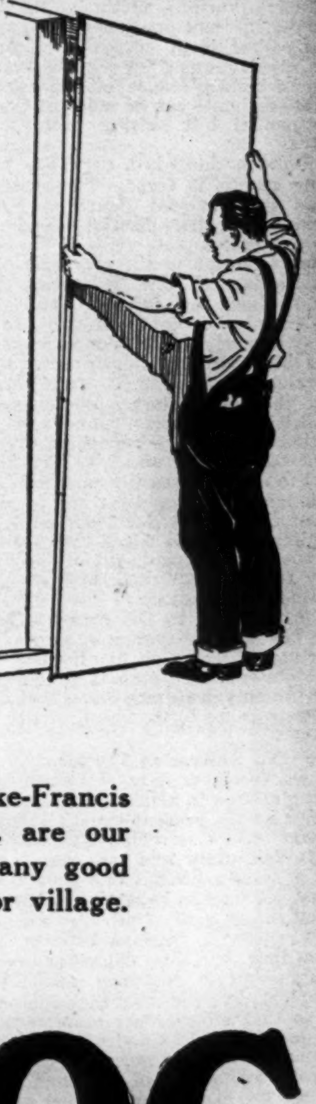

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Canadian Mining News

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XXI. 10c a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, OCTOBER 7, 1927 Member of Audit Bureau of Circulations No. 40

COMMITTEE MAKE MOVE TO CLEAN UP MONTREAL MARKET

Widespread Dissatisfaction Over Method of Listing

PROBE ALL STOCKS

Using Exchange for Nefarious Purposes Has Brought About Demand for Investigation

A clean up of the Montreal Mining Exchange is under way. While there are many who claim that the move to start the clean-up was not a serious one, opinion is now so strong for a clean-up that nothing but a thorough job will satisfy.

Montreal mining exchange has, unwittingly or otherwise, laid itself open to severe criticism by listing almost anything. Seemingly, they wanted listing fees and they got them. The result has been that a flood of wild propositions have been listed on the exchange and traded in. Alleged fictitious markets have been set up and the public has paid the piper.

The exchange has appointed a committee to get into the matter of listings. They will probe every stock traded in, unlisted and listed. They will also revise the requirements for listing, making them more drastic. In the past they have been very loose.

One encouraging proposal is that no issues can be traded in on the unlisted section unless full data about the operation is submitted, just as in the case of listed stocks. It is proposed that after they have been traded in for 60 days in the unlisted, they must be listed or trading will be suspended.

It is proposed that all companies wanting to list their shares must have a 10 per cent. distribution of their capital stock and have $10,000 real money in its treasury. Standard Stock and Mining Exchange, Toronto, now requires a company to have $25,000.

Expectations Unrealized

Montreal had great expectations of developing largely in a mining way, due to the developments in Rouyn area. This has not been realized. In fact, the bulk of the good things have located in Toronto. One of the main reasons for this is the exchange situation. A conflict developed and Montreal Curb was launched by those who were dissatisfied with the way matters were handled on the mining exchange. This focused attention on what was going on in Montreal and the fact that conditions have steadily grown worse has not helped any.

Of late there has been some paring of the issues on the mining exchange. It is said that one group of stocks, was accepted for trading after the sponsor of the issues has been refused election to the exchange. When the stocks were suspended, it is said that the Montreal Curb promptly took them up and after trading in them for a week, it suspended trading in them also.

Bucket-Shop Charges

Another development has been the laying of what amounts to a bucket-shop charge against a member of the mining exchange, by provincial authorities. It has not come for trial yet and will be interesting. There are members of the mining exchange who hint that this prosecution may be in some way fostered by the Montreal Curb which they say would like to get the charter of the mining exchange.

All in all, the situation is particularly undesirable, from a business and a mining standpoint. The mining industry is being severely injured by the fact that a number of stocks are given an air of solidity by allowing them to be traded in on the exchange. What seems to be the chief desire of those handling these issues is to get them printed on the daily report sheet of the exchange.

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Dunwell's Market Value Off Sharply

From Our Own Correspondent

VANCOUVER.—A bad situation exists in Dunwell, one of the Vancouver Stock Exchange leaders. It has dropped from a high of around $7 and $8 several years ago and from $1.28 two months ago, to about 18 cents. to-day.

It is apparently a case of bad management, slim financing and premature mill construction.

ORE AT 1,200 FT. IN ROUYN MEANS MUCH FOR CAMP

Drilling on Aldermac Property Regarded as Having Great Significance

Railway transportation has now reached the Horne mine and smelter but these facilities have not yet been provided the other mining properties in the Rouyn district of Western Quebec, reports Dr. H. C. Cooke of the Geological Survey, Department of Mines, and these properties have accordingly concentrated their efforts on continuing their programmes of exploration. Marked success has been met with on two properties, the Aldermac, owned jointly by Noranda Mines Ltd., and the Towagmac Exploration Co., and the Amulet. On the Aldermac, the combined results of drilling and sinking have demonstrated the existence of at least two and perhaps more lenses of valuable copper ore. These lenses are from 30 to 60 feet wide; their length has not yet been determined, but is not less than 200 feet, and they are known to reach to a depth of at least 1200 feet, which is twice the depth of any other orebody yet proved in the Rouyn camp. The proving of ore at a depth of 1200 feet is encouraging as it is an indication that the ore-bodies of the camp may reach greater depths than has heretofore been anticipated, and that the Aldermac will prove to be one of the outstanding mines of the camp. The Aldermac ore contains little or no zinc and will hence present few problems of treatment.

Amulet Looks Favorable

On the Amulet property things look equally favorable, and a long and expensive programme of development has finally been rewarded by the discovery of large and valuable deposits. A number of ore-bodies high in copper and zinc values have been found within the last three months, and are now being outlined by diamond drilling. Little can now be said regarding their extent or depth, as the information obtained from drilling is not yet complete. It is known, however, that they are sufficiently large to make the property the third big mine of the district.

Very little exploration has been done on the Waite-Montgomery property in the past year, with the exception of some drilling, and the first orebody discovered is still the only one known. A spur of the Rouyn Mines railway has been run to within half a mile of the property and will shortly be connected with it. Active preparations are in progress to commence the sinking of a shaft, and shipments of

(Continued on page 26)

RIBAGO EXPECTS ANOTHER LARGE MINERAL AREA

New Find May Prove Wide Extension Ore Body

Murray Glazier, engineer in charge of Ribago Copper Corp., reporting on recent developments, says:

"Trenching, 300 feet north of discovery, made three weeks ago, reveals new vein lying parallel with former discovery. This vein on surface is about one foot in width, carrying mixed chalcopyrite and quartz, of commercial grade. This vein lies in a mineralized area approximately ten feet in width and has been traced for about 500 feet. In between the veins several isolated copper showings exist. Thorough surface prospecting of this whole area is being conducted.

This gives what may prove to be another large mineralized area similar with that on which shaft is now being sunk three quarters of a mile west. Test pits are being sunk on both zones."

Believe Smelters Will Erect Plant on Coast

Consolidated Has Acquired Control of Tidal Properties — Victoria Interests Believe This Will be Start of Big Developments Planned

VICTORIA. — It is believed here that the Consolidated Mining and Smelting Co. will soon build a smelter at some point on the coast to which ore from its several properties adjacent to salt water could be taken for treatment.

Just where the smelter will be located is as yet unknown. The Consolidated, which is a subsidiary of the C.P.R., and owner of the great Sullivan mine at Kimberley, has recently extended its coast holdings and now controls the Big Missouri group, near the famous Premier mine, Coast Copper, George Copper on Bear River, and the Sunlock mines near Sooke, V.I. It is thought that the site would be a point as central as possible to all of these properties.

J. J. Warren, of Toronto, president of the company; W. M. Archibald, a director and chief operator, and Lorne Campbell, head of the Kootenay Power Co., a Consolidated subsidiary, are conferring here.

No Announcement Yet

Mr. Warren, who has been in conference here with Mr. Archibald and meeting officials, stated there was nothing to be said about the projected Consolidated smelter on the coast, which has been referred to insistently during the last couple of years in reports from Montreal and Toronto, to take care of the enormous ore tonnage the Consolidated is accumulating and developing at its mines on the coast, which now number four.

Mr. Warren said that, besides the Coast Copper, the George Copper and the Sunloch, which the Consolidated either owns outright or controls, his company has made an arrangement whereby the Big Missouri, near the Premier Mine, on the Salmon River, has been brought into the Consolidated family.

Development work is proceeding satisfactorily at the Coast Copper, the George Copper and the Big Missouri, Mr. Warren declared. He said that he was not making a visit to the Sunloch mines, near Sooke, on this trip.

Visited Coast Copper

Mr. Warren and Mr. Archibald completed a personal inspection of operations at the Coast Copper, at Quatsino, this week. Following their return to Victoria, a start will be made at once on the construction by the Dominion government of the wharf at Jeune Landing to handle the shipments of heavy machinery into the Coast Copper and the shipments of ore out. To launch this work a party of government engineers and Jack Crane, engineer for a private construction firm, sailed from here on the Princess Mary. Construction supplies were being loaded on the C.P.R. steamer Nootka. The Jeune Landing wharf will be on concrete piling to carry the heavy ore loads, it was explained.

Start on the wharf has been decided upon as a result of the ore bodies now proven up at Coast Copper and the decision to go ahead there, officials explained. Following the bodies which were opened last year by tunnels and diamond drills, a winze was sunk this summer and at the end of August this winze work was successful in proving up the ore body to depth.

At the George Copper, on the Bear River, double crews, sent up from Trail, are now operating day and night, and the plans have been completed for the main tunnel, which is to go in from near the Bear River levels. A townsite along the river has been staked by the Consolidated for the mill and other plants and the dwellings of the men who will operate the mine.

This George Copper, it was explained, has already added 5,000,000 tons of copper-gold ore to the holdings of the Consolidated, and the development work which is now being prosecuted is aimed at increasing this tonnage total several times. At the request of the Consolidated, it was explained, the government is now rushing the road up Bear River so that the company can get in its heavy machinery. A road gang of sixty men has been working from the Bitter Creek end, and as a result of the requests from the company a second gang has now been started at Fourteen Mile so as to get the road through before the season closes.

At the Big Missouri the Consolidated itself has started roadwork, impressing into its service all the spare men in Stewart, B.C., and Hyder, Alaska, to make up a crew of thirty. This is in preparation for the start of a shipping programme.

Only minor development work is being carried on at the Sunloch, which is now in such a stage that it can be quickly brought into development at any time it is required.

PORCUPINE CAMP HANDLES RECORD TONNAGE TO DATE

Upwards of 2,600,000 Tons of Ore Handled in Nine Months

Output of the Porcupine district mines for the first nine months of the current year reached an aggregate of approximately $17,500,000.

During this period the mills handled an aggregate of upwards of 2,600,000 tons of ore. The tonnage handled for the period was the highest for any nine months so far in the history of the mines of Porcupine. However, the output record was lower than that shown during the first nine months of 1926. This decline was chiefly due to the lower grade ore being treated at Hollinger, and due, in part, to a decline in production from Dome.

From present appearances the decline in output from Porcupine as a whole is at an end. Hollinger may be expected to handle greater tonnage from this date forward, and may also be expected to stem the tide of lower grade ore. McIntyre may also be expected to work toward higher tonnage and greater production—to the end that the mines of Porcupine will in 1928 establish the highest record so far attained.

The indications are that while the 1927 production may amount to around $23,500,000, yet the output for 1928 will probably show an increase of 10 to 15 per cent. at least in gross yield, and with a corresponding increase in net profits.

Vancouver Group Dickering For Block of Ogdad Shares

A syndicate of mining financiers, Vancouver, have made overtures to Ogdad Mines, for a considerable block of shares, with the intention of furnishing additional funds so that they may be able to put the properties on a paying basis. The presence of paying ore has definitely been established, the next step is to develop these bodies. When the present financial arrangements are completed, it is the intention of this syndicate to list the shares of the Ogdad Mining Company Limited on the prominent stock exchanges. Ogdad is operating in Atlin, B.C., near the Engineer Mine.

Oil Sharpers Go After Retired Fundamentalists

Retired Baptist ministers in Canada are being urged to buy stock in a raw oil swindle in Texas. T. H. P. Duncan, M.D., of Fort Worth, has donated a few units in the "Duncan Oil Union" to a Fundamentalist Fund for superannuated ministers. He also carries his charity to the extent of setting apart 10 per cent. of the gross receipts from the sale of stock to set up the Fundamentalist Fund. This charity was to extend for only a few days, however, and apparently was bait to make the superannuated Baptist ministers hurry with their subscriptions for his oil proposition.

Dr. Duncan estimates, for the benefit of the Baptist ministers, that he can pay 20 to 200 per cent. a year on shallow production, while if he gets a gusher the ministers can apparently write their own cheque.

With the letters he sends to Canada the charitable doctor sends along a copy of the Baptist Fundamentalist of Texas, the weekly sheet of propaganda edited and issued by Dr. Frank Norris, former Canadian, the Texas slayer who was acquitted when tried for the killing of a Roman Catholic opponent in Texas.

A full page advertisement of Dr. Duncan's oil union appears in the sheet. Most of the advertisements are of the same ilk and apparently Dr. Norris's paper thrives on the advertising of sharks and sharpers. Dr. Norris is reported to have stated that neither he nor his church have any interest in any stock promotion company. But his paper is being used as an organ for robbing retired Baptist ministers of their small savings.

Turner Valley Oil Output Close to 1,210 bbls. Daily

The daily output of Turner Valley wells is placed at approximately 1210 barrels, in a booklet published by the Petroleum Section of the Canadian Institute of Mining and Metallurgy, which was distributed among the members of the Empire Mining and Metallurgical Congress on their recent visit to Alberta.

Of this production, it is estimated that 875 barrels per day is the amount of the crude naphtha (casinghead gasoline) obtained, while the crude oil output is given as 335 barrels daily. This figures out at 36,300 barrels per month of 30 days, or 37,510 barrels for a month of 31 days.

Royalite Leading Alberta Oil Well

The following figures are the latest available, indicating the daily production of the chief producing oil wells in Alberta:

	Barrels
McLeod	9
Royalite Nos. 1, 2 and 3, total	24
Edmonton Wainwright	30
McLeod No. 2	50
McLeod No. 3	40
New McDougall-Segur No. 1	62
Illinois-Alberta No. 1	86
Home No. 1 (estimated)	100
Vulcan No. 1	100
Dalhousie No. 5	250
Devenish (potential production)	250
Royalite No. 4	547

McINTYRE MILLING RETURNS AVERAGE ABOUT $8 A TON

Nine Months' Results Place Company in Position to Increase Dividend

With an average return of approximately $8 a ton, McIntyre-Porcupine set new records during the nine months ended September 30, by handling about 380,000 tons of ore and producing over $2,900,000 in gold.

Records show the mill has been handling an average of well over 1,400 tons of ore every twenty-four hours and that on a grade of $8 ore the percentage of recovery has been exceptionally high.

Improvements now being made in the mill, and the construction of an aerial tram to the new No. 11 shaft, is expected to result in a substantial increase in production. The indications are that the early increase in mill capacity may reach about 20 per cent.

Output Nears $5,000,000

With the plant having already been turning out gold at a rate of close to $4,000,000 annually, it follows that an increase of 20 per cent. in capacity would point toward production of close to $5,000,000 a year.

It is to be noted in official figures for the first half of 1927, that the output from McIntyre was a little higher than that coming from Dome Mines—this giving to McIntyre the distinction of being the second largest gold producing mine in Canada. This situation has held good through the third quarter, and, with the tonnage increase now indicated the situation will be greatly emphasized.

Now that the new shaft has been completed and fully equipped, the general expenditure will be a great deal less. On output of $5,000,000 a year, no difficulty is anticipated in showing profits of at least $2,000,000 a year—an amount exceeding 50 per cent. annually on the issued capital. This compares with only 20 per cent. being paid in dividends and is strongly indicative of a very large increase in dividends in due time. The process of "burying" profits as in the case of the past couple of years has appeared to be drawing toward a close.

Officials know, and all close observers know, that at the end of this year, the McIntyre Company could increase its dividend rate 100 per cent. if such a policy should fit in with their plans of expansion. The only reason for longer deferring the dividend increase, would be in case of plans for erection of still greater milling facilities—a new plant in addition to that now in operation. In that event, while dividend increases would not be as great as would otherwise be the case, yet the delay would be comparatively brief and the increase would be emphasized in due time as a consequence of the greater output thus made possible. Officials of McIntyre have not established shaft facilities for ore at a rate of close to 5,000 tons daily, without having utmost confidence in being able to reach at least two-thirds of that capacity.

PICARD GOLD MINES

The Picard Camp, on Picard Island, Woman Lake is actually one of the busiest in the district.

A large force of men are being employed in blast trenching and stripping the most important veins which have been discovered on this property. A shaft is being sunk on the No. 1 vein which carries copious free gold showings. Work is also carried on vein No. 3 which is a large one of blue quartz proving very important.

The Picard property now justifies diamond drilling and Capt. Picard says that this drilling will be started as soon as the necessary satisfactory arrangements can be made.

ENGINEER'S REPORT.

Hudson, Ont.
Oct. 1st, 1927.

VIPOND CONS. ORE RESERVES DECLINE SHARPLY IN 1926-27

Lower Grade and High Costs, Given as Cause

OPERATING COST LESS

Exploration Work Carried Out During Year, on All Properties, Has Been Disappointing

Vipond Consolidated for the year ending July 31 showed an operating profit of $159,584. Production totaled $704,890, and other revenue was $6,629. Recovery, according to R. S. Dening, secretary, was $7.36 per ton, while costs were $5.76 as compared with $7.60 for the year previous. After telling about the acquisition of Thompson-Krist and Porcupine Crown claims, Mr. Dening adds, "and while your directors regret that the exploration work carried out during the year, both on old and new territory, has so far been disappointing, it is hoped that more encouraging results will be obtained from the further exploration now in progress."

Ore Reserves Drop

Dr. J. McIntosh Bell, managing director, in discussing ore reserves, says: The total ore reserves as at July 31st, 1927, are estimated to contain approximately 170,000 tons having a gross value of roughly $1,400,000. Of this amount, 50,893 tons, of a gross value of $409,318, is broken. It will be observed that this reserve is less than the amount published last year, by more than a million dollars—a figure greater than the amount of production during the year together with the loss in extraction, in spite of the discoveries of low grade ore made in the newly acquired British Porcupine property.

The drastic reduction arises from two causes: 1st, as already stated, several of the more important blocks have, in process of extraction, failed to provide ore of the grade or quantity expected, and on the evidence now available require reduction, and 2nd, a considerable number of the less important blocks have been deleted entirely in view of the fact that on the information obtained during the year it is considered the margin of profit is so small as to render their extraction of problematical value.

It must be clearly understood, however, that the above figures make no allowance for any ore below the outcrop of No. 16 vein, and in other localities where some is known to exist as at present insufficient data are available upon which to base calculations. The reserve figures now given may be exceeded, but it is considered advisable to write them down to an amount within the margin of safety.

New Fields to Work

Having regard to the extensive exploration conducted at various horizons, down to and below the deepest level, it is clear that the chances of the discovery of important deposits are gradually becoming restricted in the original four claims. There remain, however, a considerable number of relatively extensive areas both in the original claims and in the recently purchased ground of the British Porcupine which warrant exploration and from which, in certain instances, encouraging information has already been obtained by diamond drilling. The Ridgeley claims are considered to present considerable speculative interest in view of the results being obtained in the adjoining Coniaurum property.

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SMELTERS CLIMBS UPWARD AGAIN AT NEW LEVELS

Rise Reputed Due to Bloc's Refusal to Accede to Split

From Our Own Correspondent

MONTREAL.—The strength shown by Consolidated Mining and Smelting, which has risen to a new high level, has given rise to much speculation as to what is behind the movement. It has been stated that the Canadian Pacific Ry. group of shareholders, who are reputed to control a large block of the stock, have refused to consent to a proposed split in the shares, and that this refusal has been responsible for the steady rise in the stock. The strength shown by C.P.R. stock on the New York market, and the strong favor in which it is held by the American investors, is said to have reacted favorably on Smelters, because of the fact that several of the C.P.R. directors are also directors of Smelters and wield much influence in directing the policy of the latter company.

A well known Montreal financier, in discussing Smelters' spectacular rise gives it as his opinion that the stock is not selling above its actual value. He is inclined to believe that the stock will go still higher and that a split will eventually be declared.

Although Smelters established a spectacular rally on Saturday's trading, when it advanced 15 points, it must not be forgotten that this stock reached 264 during September, and that in 1926 its high level was 264½. Its low level in that year was 165. The stock for a long time was a popular leader, in which much trading took place. It has been more or less dormant for some time, as compared to other stocks, but the interest recently aroused would indicate that Smelters is once more a stock coming to the fore, and pending action on the part of its directorate, will doubtless engage the attention of the stock market for some time to come.

Important Find Made on Astoria-Rouyn Group Six

Astoria Rouyn Mines has made chalcopyrite find on group six, Astoria, field force are now examining an important new discovery. Main vein, group four, developing favorably has now been traced total length, 800 feet, with chalcopyrite showings over practically entire length.

B.C. Mining Stocks

Special wire to The Financial Post.

VANCOUVER. — George Copper sold up to $1.70 on the Vancouver Stock Exchange. Premier is stronger at $2.27, while Lucky Jim and L.L. show small appreciations, the former selling at 28 and the latter at 9. Dunwell sold at 23 and 24 and was in demand at the close but the market was generally very quiet throughout.

Ben B. Bryan of Logan & Bryan, members of the New York Stock Exchange, has been elected a member of the Vancouver Stock Exchange.

ORE AT 1,200 FT. IN ROUYN MEANS MUCH FOR CAMP

(Continued from page 25)

ore to the Horne smelter at Noranda will probably start next spring.

Of developments other than mining, a few words may also be said. The Rouyn Mines railway connecting the camp with the Canadian National Railway on the north, has been in operation since last autumn and has materially promoted the development of the camp. A second railroad to connect the Rouyn camp with the Timiskaming and Northern Ontario Railway at Kirkland Lake was commenced last June, and construction has been pushed at a remarkable rate considering the difficult nature of the country. It is reported that grading is now almost completed and the laying of steel begun from the present terminus at the Ontario-Quebec boundary. It would seem probable that the first train over the new line may enter Rouyn early in October, although the final grading will not be completed for some time

The power line from the generating stations at the foot of Quinze Lake, 65 miles to the south-west, were completed in December last, so that light and power have been available to the Horne mine and to the residents of Rouyn and Noranda for almost a year. The lines were later extended to the Waite-Montgomery, Amulet and Aldermac properties, and during the past summer have been carried to Kirkland Lake.

The town of Rouyn has nearly doubled in size within the past year, and has now an estimated population of 4,000. Sidewalks and street lights have been installed, and contracts signed for the installation of water works and a sewerage system. The neighboring townsite of Noranda, which opened last spring with these conveniences practically completed, is also growing rapidly.

Ribago Sinking Shaft

Advices are to the effect that shaft sinking at Ribago was being rushed. Reports received intimated that at 60 feet a crosscut was made into the wall of the shaft to determine the width of the ore body. This was stated to be in 10 feet and still in ore, giving Ribago an ore body over 18 feet in width of chalcopyrite, with an average of 10 per cent. copper.

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MINING STOCK QUOTATIONS

Week Ending Oct. 4

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Oct 4	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	3.85	3.60	3.55	1300	....	....	4.05	.20
Aconda	1	....	....	25½	24	25	87666	....	....	45	14½
Afton	.	....	....	....	....	....	....	....	....	1.08	1.00
Algonquin	1	....	....	2¼	2¼	2¾	45300	6¼	1¾	5½	2
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Amal. Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amity C.	.	....	....	30	24½	29¾	82100	....	....	30	24½
Amos	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	7.07	6.45	6.52	608473	2.98	.90	7.10	.85
Apex	1	....	....	....	....	....	....	6	2½	3½	1
Area	1	....	....	.74	.60	.63	175460	1.55	.21	1.95	.23
Argo. Con.	1	....	....	50	40	47	475936	67	18½	59	25
Archean	.	....	....	....	....	....	....	....	....	18	17
Atlas	1	....	....	4	3½	3½	52809	5	1¾	7	2
Baldwin	1	....	....	2½	2	2	24000	6¾	1	4½	1
Bard	.	....	....	.70	.40	.65	....	....	....	1.59	.25
Barry Holl.	1	....	....	.99	.84	92½	725510	1.00	.21	1.00	.25
Beaver	1	....	....	2.00	1.75	1.98	130235	.99	.51	2.00	59½
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	3
Bidgood	1	....	....	60	38½	53	880525	9¾	4½	60	5
Boischatel	None	....	....	5	4¾	5	8000	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Brit. Unit.	.	....	....	....	....	....	....	....	....	88	76
Buckingham	1	....	....	4¾	4	4¾	42300	7¾	2	9½	3
Bunker Hill	10	....	....	160	138	160	580	....	....	160	75½
Can. Lorrain	1	....	....	16	13	14	22800	93	57	72	10
Capitol S.	1	....	....	16	14	15	20800	48½	24	34	14
Capitol R.	.	....	....	19	16½	17½	201600	43	26	54½	10
Castle Tre.	1	....	....	.81	.69	.81	79760	1.85	.91	1.27	.61
Cen. Manitoba	1	....	....	1.88	1.55	1.70	99315	....	....	2.10	1.07
Chaput H.	1	....	....	13	10	12	160300	22	3¾	13½	4¾
Clifton Cons.	1	....	....	....	....	....	....	6½	1	3½	½
Coast Copper	5	....	....	15.75	15.75	15.75	100	....	....	22.00	9.75
Col. Kirk	1	....	....	7	3½	6	719350	6½	2	7	1½
Comm. Mines	None	....	....	....	....	....	....	....	....	1.50	.71
Coniagas	5	....	....	4.75	4.65	4.75	670	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	4.40	3.95	4.40	2090	4.60	3.00	4.40	2.80
Cons. Smelter	25	10+5	0.97	270	238	258	40024	265	177½	270	215
C. W. Dome	1	....	....	7	6	6½	4100	29¾	14	19	4
Copper Hill	1	....	....	68	67	67	6300	....	....	68	49
Copper Sul.	.	....	....	....	....	....	....	....	....	1.00	1.00
Corona	1	....	....	17	15	16	187925	37½	20	37	10
Crown Res.	.	....	....	41½	39	40	69162	....	....	45	39
C. American	.	....	....	....	....	....	....	....	....	1.30	1.26
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	1	....	....	....	....	....	....	41	40	43	25
Dome Mines	None	$1	9.52	11.65	10.00	10.50	21295	20.00	8.00	11.65	6.85
Dom. Lead	.	....	....	1.69	1.67	1.67	1250	....	....	1.73	1.05
Dom. Kirk	1	....	....	10½	8	9½	50750	....	....	12	1½
Don. Rouyn	1	....	....	25	21½	23	29900	61	25	56½	17½
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dubec	.	....	....	1.08	.95	.95	3900	....	....	1.48	.35
Dunwell	1	....	....	....	....	....	....	....	....	1.51	1.50
Duprat	1	....	....	13½	12	13½	123400	....	....	21	10
Dupuy	1	....	....	79½	63	70	25825	....	....	79½	9
East. Metal	1	....	....	....	....	....	....	....	....	18.25	10.00
East. Que.	.	....	....	....	....	....	....	....	....	2.75	2.00
Everett	1	....	....	2	2	2	5000	12½	3¾	5½	1½
Federal Kirk	1	....	....	44	40	43	12200	....	....	44	40
Fiske	1	....	....	....	....	....	....	....	....	30½	5
Fisher, Que.	1	....	....	1.20	1.00	1.00	1100	....	....	2.20	.50
Gifford	1	....	....	....	....	....	....	....	....	1½	½
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Goldale	1	....	....	33½	32	33½	18600	43	24	35	20
Gold Hill	1	....	....	39	28	30½	207572	73½	25	54	22
Gold Ore	.	....	....	1.67	1.60	1.64	2600	....	....	2.45	.90
Gold Reef	1	....	....	1	1	1	3000	5	1	2½	½
Granada Rouyn	.	....	....	20	16	18	34150	....	....	23	16
Grover Daley	1	....	....	20	18	18	82800	32	18	37	8
Harvie Exp.	None	....	....	12.50	12.00	12.00	1381	....	....	16.00	11.84
Haultain	1	....	....	....	....	....	....	....	....	15	14
Hillcrest c.	100	6	10.00	....	....	....	....	65	55	65	60
Hillcrest, pref	100	7	8.43	....	....	....	....	83	79½	87	81½
Hilltop	1	....	....	13	9½	12	63350	31½	20	24	6½
Hollinger	5	26	7.45	17.10	16.75	17.00	17850	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	.96	.90	.94	96170	....	....	1.05	.42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Indian	1	....	....	7	7	7	5000	14½	2¾	12	4
Int. Nickel	25	$2	2.83	71¾	60¾	70½	48304	46	32½	75	38
Jackson M.	1	....	....	43	36	43	87250	....	....	45½	36
Jay Copper	1	....	....	....	....	....	....	1.10	.73	1.26	.30
Kamisko	.	....	....	....	....	....	....	....	....	10.75	7.62
Kamiskotia R.	10	....	....	....	....	....	....	....	....	10.80	10.20
Keeley	1	24	32.00	.80	.75	.75	14250	1.91	1.39	1.66	.70
Keora M.	1	....	....	6	3	5½	8750	22	11	13½	2
Kirk. G. B.	1	....	....	1.00	1.00	1.00	....	....	....	1.29	.75
Kirk. Hunt.	1	....	....	24	20	22½	303550	34	8½	35	10
Kirk. Lake	1	....	....	2.80	2.84	2.78	360798	1.44	.69	2.80	.82
La Rose	1	....	....	8½	5	8½	2200	39	4	12	3
Lake Shore	1	40+10	1.78	28.15	26.85	28.02	16850	16.15	9.50	28.15	15.40
Lakeside L.	1	....	....	1¾	1	1¾	8000	10	1¾	6	¾
Laurier	None	....	....	60	60	60	....	....	....	65	51
Laval	1	....	....	75	40½	55	1009980	45¾	21	75	19½
Lorrain C.	1	....	....	1	1	1	1000	15	2	3½	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Lucky Jim	10c	....	....	....	....	....	....	....	....	21	20
Macassa	1	....	....	36	30	36	43100	43	22	37	18
Malartic	.	....	....	26	24½	25	82500	....	....	30	23½
Marclay	1	....	....	....	....	....	....	35	20	42	34½
Marriott	1	....	....	42	38	41	40500	....	....	42	35
McDougall	1	....	....	80	74½	74½	87170	....	....	88	24
McKinley	1	....	....	20	17	17½	6700	26	8½	25½	11
McIntyre	5	20	3.50	28.75	27.75	28.50	20780	29.75	22.70	28.75	24.00
Mentor	10	....	....	12.75	12.50	12.50	600	....	....	12.75	12.00
Millcrest	1	....	....	4	2	3½	10000	21½	3½	7½	2
Mining Corp.	5	25 c.	....	3.40	3.10	3.24	19717	4.45	2.60	3.65	2.90
Moneta	1	....	....	13	13	13	400	18	11	15½	8¾
Montreal R.	1	....	....	20	18	18	5100	60	13	33	10
M'tchatel	1	....	....	20	19	20	3500	....	....	43	19
N. A. Dev.	.	....	....	....	....	....	....	....	....	2.10	.30
N. A. Lead	1	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Newbec	1	....	....	1.07	.67	.90	695056	....	....	1.20	.67
Newray	1	....	....	38	38	38	1000	45	31	46	28
Night Hawk	1	....	....	8	6	6	12900	17	3¾	10½	4½
Nipissing	5	6	4.25	7.25	6.15	7.05	16445	9.25	4.95	10.30	5.25
Noranda	None	....	....	28.50	24.90	28.05	95537	24.75	12.00	28.50	19.95
Ophir	1	....	....	....	....	....	....	4½	½	4¾	¾
Ontario L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	.42	.40	.40	14400	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	4½	4	4	10500	32	14½	18	2
Porc. Crown	1	....	....	8	6½	7	11600	12	4	11	3
Pioneer	1	....	....	.67	.60	.60	61800	1.22	.66	1.18	.53
Potter Doal	None	....	....	18½	14¾	16	425400	....	....	65	10½
Power & Mines	None	....	....	....	....	....	....	....	....	1.70	.75
Prec. Metal	1	....	....	....	....	....	....	....	....	22.00	20.00
Premier Gold	1	32	14.00	2.30	2.25	2.28	8850	2.75	1.83	2.50	1.86
Preston	1	....	....	4	4	4	100	9¾	4	7	3
Ribago	1	....	....	37	34½	35½	189450	....	....	87	13
Rouyn	1	....	....	4	3½	4	8605	9	1¾	5	1
Rouyn C.	1	....	....	1.18	1.15	1.18	....	....	....	4.28	1.15
Rouyn K.	1	....	....	....	....	....	....	....	....	1.10	.73
Rouyn Que.	1	....	....	3	3	3	....	4½	1½	4¾	1
Rubec	1	....	....	3.20	3.00	3.10	6700	....	....	3.20	1.10
Simard Un.	.	....	....	1.18	1.14	1.15	2000	....	....	1.18	1.14
Siscoe	1	....	....	35	30	30	....	....	....	60	12
South Keora	1	....	....	....	....	....	....	35½	5	64½	4½
Stadacona	None	....	....	26	22	23½	159000	51	40	55	13
St. Anthony	1	....	....	37	37	37	3500	....	....	50	16
Sud. Basin	1	....	....	4.00	4.00	4.00	100	....	....	4.00	4.00
Sylvanite	1	....	....	4.80	4.60	4.79	36485	....	....	4.80	2.60
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Teck Hughes	1	10 c.	.90	11.35	9.95	11.00	147754	5.55	2.64	11.35	5.37
Thomp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	40	30	38½	305400	66	36	62½	25
Towagmac	1	....	....	4.89	4.00	4.75	53010	6.10	3.15	5.75	2.85
Timiskaming	1	....	....	....	....	....	....	15½	6	7	4
United Cop.	.	....	....	....	....	....	....	....	....	5.32	3.00
Vic. Silver	1	....	....	3	2	2½	37500	96	3¾	14	2
Vickers	1	....	....	.80	.75	.75	16850	1.22	.13	1.52	.25
Vipond	1	....	....	.62	.47	.57	224571	2.02	1.49	1.75	.47
Wakenda	1	....	....	5	3	5	33000	3¾	1	5	1
Wasapika	1	....	....	1¾	1¾	1¾	1000	4	1	2	1
West D. Lake	1	....	....	11	10½	11	15500	....	....	13½	8
West Tree	1	....	....	3½	3½	3½	3000	....	....	4	1
Wettlaufer	1	....	....	4	3	4	13000	10	2	4¾	1½
Wiltsey C.	1	....	....	59	51	58	18750	....	....	59	50
Wright Har.	None	20 c.	2.42	8.45	7.77	8.25	178697	....	....	8.45	5.50
Ajax Oil	1	....	....	36	27	28	20200	....	....	44	6½
Vac. Gas	1	....	....	18	8½	10	10800	....	....	26	8
Trojan Oil	.	....	....	7.00	4.75	4.75	500	....	....	8.60	4.00

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Mining Inquiries

Bidgood

What do you think of Bidgood as a mining speculation?

Bidgood shares look like an attractive speculation. We are informed that the recent discovery is one of major importance.

Castle

I bought 2,000 shares of Castle Trethewey at $1.25. Would you advise me to hold what I have?

Castle is suffering from low price of silver and its future position will be dictated by the trend of the price of its product.

Thompson-Cadillac

Could you supply me with a report on Thompson Cadillac Mines, Ltd.?

Thompson Cadillac has some very spectacular gold ore but it remains to be seen if they get enough to make a mine. They have not yet. It is a speculation.

Amulet and Argonaut

Please advise your opinion of Amulet and Argonaut.

Amulet and Argonaut are two attractive speculations. The former has proven ore bodies by drilling that makes it stand out as a big mine. The other is producing and while not making a profit is doing better.

Walsh-Katrine

Will you please let me have your opinion on the value of Walsh Katrine. What is holding back the company?

Walsh Katrine is located in a promising section of Kirkland Lake camp. The property is well regarded but the company has been retarded by lack of funds.

Rouyn Centre

Have you any report on the property of the Rouyn Centre Mining Association, and what is your opinion of the management?

Rouyn Centre is a prospect like a number of other operations in Quebec. It is understood that those back of the company are making an effort to find a mine.

Area

I would appreciate very much your opinion as to the appreciation within the next four months of Area and Mining Corpn.

Area is a speculation. It has well located properties but has not met with any success in its hunt for ore. Mining Corporation is a well managed silver operation that has possibilities.

Boischatel

Would like to have your opinion of Boischatel mining stock and what it would be for a hold.

Boichatel shares are a gamble. The company has some well located holdings in Quebec area and while they have put forth a good exploratory effort, under competent engineering guidance, they have not as yet met with success.

Wright-Hargreaves

Will you kindly give me your opinion on the following mines: Canadian Lorraine, Tough Oakes, Vipond Cons., and Wright Hargreaves?

Wright-Hargreaves is only one in your list of four we favor at present. Vipond and Tough-Oakes are in a bad way as to finding new ore. Canadian Lorrain closed because of decline in price of silver.

Kootenay-Florence

We shall appreciate to receive your opinion regarding the purchase of Kootenay-Florence at 25 as a mining speculation.

Kootenay Florence mine is in the Aunsworth section, Kootenay country, B.C. It is a lead silver proposition of which there are numerous in this section. It looks to have good speculative possibilities. It was well sponsored when offered the public.

Mackenzie Oil

In 1921 I purchased a few shares of the Mackenzie River Oil Co., Ltd., and have heard very little about the company since. I shall be obliged if you will give me any information you have on hand concerning it.

McKenzie River Oil, like all the oil companies organized to operate in Mackenzie River country, has passed out. Imperial Oil got a small well, but it was too far from a market.

Allied Mines Syndicate

Will you please let me have the latest information on the Allied Mines Syndicate. Are its properties near the Harvie operations? What is the standing of Lyons & Co.?

Allied Mines Syndicate has transferred its assets to a company of same name. It is not near the Harvie, though its properties are in Quebec. It is a prospect only. We don't know the standing of Lyons & Co.

Speculations

I am a holder of 1,000 shares of Area Mines; also have a few shares of Amulet. Would like your opinion on these two mines.

Am thinking of purchasing 500 shares Laval Quebec; 500 shares Corona; 500 shares Argonaut Cons. Mines, Ltd. Please advise on these mines. Would like a map showing location of these.

The stocks you list, Laval, Corona, Argonaut, are all quite speculative. Argonaut is a producer that has an excellent chance of doing better. It is in Ontario. Laval has a number of properties in Quebec area but one group in Mountbray and another away to the north near Abana, appear the most attractive. Corona, like Laval, is in the prospect stage. Area has developed nothing on its property as yet. Amulet is a large mine and the stock, while high, is said by market authorities to still have possibilities.

Coast Copper

Would you be kind enough to send me such information as you could conveniently regarding the Coast Copper Co., a subsidiary of the Canadian Consolidated Mining and Smelting Co.

Coast Copper is just developing its property. In this it has met with considerable success and is an assured mine, but is considerable distance from production. The company owes Consolidated Smelters a substantial sum which will have to be paid before dividends. The shares look attractive for a hold.

Some Good; Some Bad

Would appreciate your opinion at your early convenience regarding the following mentioned mining companies, as regards both investment and speculative possibilities: Keeley Silver, Kirkland Lake, Premier Gold, South Keora, Skead Consolidated Gold Mines.

We would not recommend the purchase of Keora, Keeley or Skead at the present time. Keeley is a dividend payer, but the silver market is in a bad way. Kirkland Gold and Premier Gold are solid stocks with good possibilities.

Harvie

In 1925 I purchased 100 shares of Archean Mines and in 1926 received 200 shares of Harvie as a bonus or dividend on the Archean. I have made some purchases of Harvie since and now hold 300 shares of same, together with my original Archean.

What is the outlook for Harvie, particularly with regard to the coming split-up in shares? Also please give me your opinion re Archean.

You should watch the papers for a synopsis of the report of Alderson and Mackay, engineers on the Harvie holdings which they are about to make public. It gives a fair line on the possibilities. The operation is looking attractive. Ultimately we think Archean will be taken in with Harvie on a share exchange basis. Provision has been made for this.

Vipond

Some little time ago as a small speculation I bought 170 Vipond shares when they were over $1.50. These shares at that time were looked favorably upon by all the financial papers I read. The financial papers still regard this stock favorably and are mystified as to the reason of the big drop. The present price is 40 cents, and it looks good business for me to buy another 170 shares at around that price, with a view to making good my loss. I would esteem it a favor if you would let me have your opinion in the matter.

Vipond has been well supported by the press because it was an attractive property and in good hands. It has had a run of hard luck and its consistent failure to find any new ore for some time scared many holders. Things are not any too encouraging and milling operations may be curtailed. A new ore discovery would change the situation over night.

Vickers

Have read your reports on different stocks, have watched the development of same, and found that you are generally about right. I would like you to give me your opinion of the following stocks, that is, from a speculative point: Abana, Vickers and Sylvanite.

Abana, Vickers and Sylvanite mines are all attractive speculations. The latter is producing. Vickers is a prospect that has good assets and is in good hands. Abana is a proven mine with big possibilities.

International Nickel

Please supply us with the latest information in regard to the International Nickel Co. Do you consider the common stock a good buy for the long pull?

International Nickel common is regarded as an excellent hold for a couple of years. The stock is on a $2 dividend basis. Because of large developments at its Frood and Creighton mines the company promises in a couple of years to become a large copper producer.

Prefer McIntyre

I note that Hollinger stock is now selling around $17.90 and have some intention of buying around 100 shares, as I am led to believe that this stock will eventually sell higher by the first of the year.

Kindly let me have your candid opinion of the future of Hollinger.

Would also consider buying some McIntyre stock. Which of the two do you consider the best buy at the present time?

We never thought the day would come when we would prefer McIntyre to Hollinger but owing to lack of information on Hollinger we do now. Despite their high prices we think the Kirkland Lake leaders are more sure.

Laval-Quebec-Abana

Are mining stocks affected by the seasons of the year? What do you think of Laval Quebec? Also Abana?

We do not believe that the price of mining stocks is affected by the seasons of the year, but rather by the amount of money available for investment. Wide-spread rumors will undoubtedly have a tendency to cause a temporary rise or fall in the price of a stock, but actual discoveries and production are the determining factors in placing the price of a stock on a permanent basis.

While an investment in any mine in the development state is always of a highly speculative nature, we believe that you will be well advised to hold on to your shares in the Laval Quebec Gold Mines, awaiting further development of this mine.

Until recently work on the company's property has been confined to the surface, where some trenching and sampling has been done.

An electrical survey has been made on the holdings in the Demeloizes township, and diamond drilling has just begun. This property borders the Abana Mine, which is favorably known, and is near several other properties from which much is expected. Several of the company's directors have been associated with some of the larger mining developments in the country and their faith in the property should be of assistance to you in determining what action you shall take in regard to your holdings.

The property is purely a prospect and, therefore, the stock may be regarded as a gamble. The properties are well located.

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Harvie Mining Company
(Limited)

1. The stock of Harvie Mining Company has been split five for one and the new stock will be called for trading on the Montreal Curb Market on Wednesday, October 5th.
2. Application is to be made for listing the new stock on the Standard Exchange, Toronto.
3. A stock dividend consisting of two shares of the Exploration Company of Canada, Limited, for each five shares of Harvie Mining, will be distributed to Harvie Mining shareholders of record of October 15th.

Harvie Mining is one of the outstanding mining developments of Northern Quebec. Its holdings cover a large proportion of the mineralized zone of the Clericy area and it is the new discoveries on the Harvie and adjoining properties which have brought this area into such prominence.

We recommend the purchase of these shares at the present market.

Harvie, Smith & Company
Limited
New Birks Building - Montreal

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REVEAL REPORT OF EXPERTS ON HARVIE GROUPS

Opinions of Engineers on Whole Are Highly Encouraging

Much has been heard of Clericy Twp. section of the Quebec copper area, which lies east of the Rouyn area. Harvie Mining Exploration is the pioneer operation in this part. Carrying on an aggressive program of exploration, Dr. Harvie has followed the policy of proving up the area before making public statements of an over-optimistic nature. However, other interests have been attracted by the measure of success he has met, and just at the moment the Clericy section is seething with activity.

The interest in the Harvie operations has grown steadily, and this will make a report by Alderson, MacKay & Armstrong, Montreal engineers, on the Harvie holdings, the result of their examination of the properties in July, of decided interest and of great value. The report is the first complete independent study that has been made of the area. It is conservative; it contains no spectacular features, except perhaps one case of high gold assays, but reading between the lines, one is impressed with the great possibilities of the area. It is noteworthy that in discussing the different operations, these engineers advance definite suggestions for future exploratory work. They do not comment on the mine making possibilities of any of the operations but their general remarks on the geology and similarity to other proven sections leave the impression that they were much taken with the showings.

"From the outcrop maps prepared of the claims—it may be seen that their geology is simple," is the introductory remark of the chapter on geology in the report, covering in all 40 pages. Pointing out that they divided the Keewatin lava rocks, into two types, greenstones and grey lava, they add: "this classification, based on external characteristics of the rocks, has an economic significance, as any areas found to be underlain by grey lavas showing evidence of shearing, are favorable prospecting ground," and later make the important statement, "the grey lavas, it will be seen, have an easy preponderance over the greenstones."

Diamond Drill Encouraging

The report proceeds to discuss at some length the conclusion of the makers, that the Rouyn area ore bodies represent the composite effect of three distinct periods of mineralization.

Having thus set the stage for a discussion of the various Harvie groups, the report proceeds to discuss them individually. From the foregoing one can conclude that with the exception that no younger diabase the last of the possible mineral making movements was found, the Harvie situation seems to measure up pretty well with the ideal for the finding of sulphide bodies.

Archean Operations

Archean operations, the pioneer one of all, sizes up very attractively. On this shaft was sunk 125 feet and levels run out at 50 and 125 feet horizons. Much encouragement was met with and the correlation of the information gathered, along with a close surface study has suggested that east-west zones are the more attractive and especially where they and the north-south zones intersect.

The report recommends concentration of work exploring the two solid pyrite zones, and suggest diamond drilling. This is, as has been seen, under way. They also recommend an electrical survey.

Showing No. 2 is an 800 ft. tunnel run into a side hill to test out some attractive surface showings. The report notes the absence of a well defined line of weakness in this operation and adds:

"The surface exposures of this mineralized area are not impressive and results of magnetometer survey not encouraging enough to warrant much further expenditure." They recommend an electrical survey.

On No. 3 showing they found an altered lava cut by a quartz with a foot wall on a schisted zone. Mineralization consists of pyrite and chalcopyrite with a trace of pyrrhotite and appears to be confined chiefly to this schisted zone and a narrow quartz vein, and while some good assays were secured, the opinion is expressed that it is a pocket of limited extent. An electrical survey is recommended.

Ringrose Spectacular

No. 4, known as the Ringrose, is rather spectacular. Two chip samples taken from large blocks of vein material give $56.80 and $31. in gold, and fair silver values. A shaft has been sunk 100 ft. on a quartz vein and a channel sample across a 3.5 ft. width, 20 ft. below the collar of the shaft gave 50 cents in gold and a trace of silver. The vein had not been cut at the 100 ft. level at the time of the report; but has been since and opened for a length of 100 feet. They found that the chalcopyrite and zincblende content in samples taken on surface below ore grade. Better copper values have, however, since been secured on the 100 ft. level referred to. The report considers the erratic gold values of special interest. They conclude that gold in highly concentrated form such as native or as telluride is present in the quartz. No free gold was found. They recommend tests and say that the strength of the pyritized silicified schist zone, above the shaft, leads to the belief that it will persist for a considerable distance along its strike as well as dip, hence the continuity of the quartz vein in both of these dimensions may be expected. They suggest that the first task is to find out whether this vein will yield commercial ore and suggest 50 feet of drifting on the 100 ft. level. If this indicates commercial ore, further drifting is suggested.

Thompson group. This group is under option to purchase and it is suggested that a careful reconnaissance survey should be made.

Anderson group. The farthest north Harvie holding, is adjoined on the north by Windfall Company. Further trenching on this zone is recommended and this may establish greater concentration of either or both sulphides.

Pontiac Rouyn Has Attractive Showings

Development work on the Pontiac property in Quebec is bringing to light some very interesting discoveries. An extensive mineralized zone of chalcopyrite and disseminated copper, 400 feet wide by 800 feet in length, situated in the south easterly part of the property, is now in the process of development. Several test pits put down, have shown copper mineralization over the entire width of this area, and work is now being concentrated on this point with a view of indicating the best sites to set up and point holes for a diamond drilling campaign. Work is proceeding on a strong quartz vein in the south westerly area which is already opened for over 200 feet by a width of 5½ feet. Gold values averaging $8.40 have been officially reported, and shaft sinking to be carried to a depth of 200 feet has now commenced. The Pontiac property is 680 acres in extent, and ideally situated, lying north of and adjoining the Noranda Mines and due south of Amulet and McDougall, and is highly thought of in mining circles.

PROGRESS REPORT ON MARRIOTT ISSUED

Engineer Proposes to Proceed With Further Diamond Drilling

The following "progress report" has been received from Mr. J. B. Stitt, M.E., engineer in charge of Marriott Mines, Limited:

"During the past season from 15 to 20 men were continuously employed. To date about 1,500 ft. of diamond drilling and 1,200 ft. of trenching has been done. As a trenching campaign in heavy ground was undertaken, the total footage is not so impressive as might have been the case under more favorable conditions. With the exception of a small test pit about seven feet deep, the rockbreaking was confined to occasional surface shooting of promising formation.

Results obtained during the summer were highly satisfactory. The trenching has assisted materially in defining the formations and in addition has uncovered a new and promising zone of mineralization. Drilling has located the downward extension of the orebody for over 300 ft. The ore cut at depth is from 12 ft. to 14 ft. in width and consists of clean copper and iron sulphides with an entire absence of zinc, which is a decided advantage.

Based upon past results, a winter drilling program has been laid out, during which it is hoped to extend the known ore zone and secure information upon which to base a development plan. Present plans are to confine winter activities to diamond drilling, and if expected results are obtained, the property will be ready for actual development in about six months.

"Three camp buildings were erected and supplies for the winter are now being taken into the property.

"The geological conditions on Marriott are excellent and the recent location of ore at depth has removed any uncertainty regarding advisability of continuous intensive exploration this winter, to be followed by actual development next summer."

The results of the developments by Marriott Mines are very interesting as the deposits in Marriott Township are undoubtedly an extension of the copper deposits of Rouyn and means that the copper belt of the north country is at least twenty miles in length.

Corona Ore Grades Up to Ten Per Cent.

Further information received at the head office of Corona mines regarding the discovery made a short while ago indicates that the discovery is larger than was at first believed. Samples of the ore show a very fine grained ore containing approximately 10 per cent. copper. The formation is principally rhyolite and has been opened up for better than 8 ft. wide. The length of the orebody has not as yet been determined as at the present time they are still in ore and the present crew is being increased in order that further surface work may be completed before the winter sets in as the company plans a diamond drilling campaign this winter. Test pits to a depth of 5 ft. revealed that the ore is more massive at that depth. The company is in excellent financial shape and in view of the big results on the adjoining properties and the fact that Corona has identical geological conditions to Amulet and McDougall, the same diabase dyke running through the three properties, the superintendent of the property is very hopeful and believes that the developments in the next short while will reveal the property to be the makings of a very big proposition.

New Rouyn Map

H. S. Crabtree, Toronto, has just published a new map on Rouyn Copper area. It is one of the most complete produced, showing all the important townships and properties.

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Location: Rice Lake Mining Area, Central Manitoba District.
Development: Two shafts have been sunk to a depth of 150 feet and approximately 2,000 feet of lateral work has been completed. Commercial ore was encountered on the first level, and increasing values are indicated as development proceeds.
Additional information will gladly be furnished upon request.
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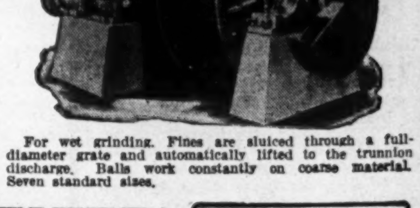
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SEATTLE. — Investment bankers, in their convention heard the view expressed that when industrial securities are issued, investors should have an opportunity to participate in future earnings.

Industrial Securities Committee report said in part:

Two of the most important components of a properly prepared industrial circular are cited in this report as earnings and management. No industry can survive long without earnings and earnings are not obtained without management.

Any amount of space can be consumed in a circular explaining the product made by the company in question and the fixed assets it has to work with, but though these fixed assets be twice or three times the amount of the bonded indebtedness, they produce nothing without management. Last year's committee in its annual report called attention to the report of the 1920 committee, which states, "It is generally felt that fixed property should be the risk of the common stockholder and that obligations and preferred stock in most cases should, at least, be covered by current assets, and that often there should be a substantial margin to provide for possible shrinkage in inventory values and other losses."

Maintaining Cash Position

The maintenance of a proper net quick asset position is one of the many duties of a good management, yet it is surprising in how few circulars the managament is really properly emphasized, while the fixed assets are outlined in detail. Just as has already been said in reports of previous committees, fixed assets are at times a very proper basis for the issuance of securities, but generally only in cases where they have a value independent of their use in the specific industries, where those assets consist of natural resources or the general standing of the borrowing company is so high as to make the payment of its obligations almost a certainty. Thinking, perhaps, somewhat along this same line, one of the partners of a New York house of issue, a member of this association, has forwarded to the committee the following:

"It is our opinion that investors in a large percentage of industrial securities of companies having net assets of less than $10,000,000, when purchasing bonds, debentures or preferred stock—and particularly debentures and preferred stock, if such follow first mortgage bonds—should be given a participation in the future earnings of the company either through conversion into common stock of the company or through a warrant attached to the bond, debenture or preferred stock, giving the investor the right to buy common stock at a fixed price for a limited time, say ten years.

Entitled to More Than Interest

"It is our belief that in a large majority of the offerings of industrial securities of issues of less than $5,000,000, the proceeds from the securities which go into the treasury of the company represent from 25 to 50 per cent. of the total net assets of the company, and we have always felt that an investor who puts his money behind an industrial concern should get more than the six or seven per cent. which is ordinarily netted to him by the bond, debentures or preferred stock.

"In the natural course of events, a certain percentage of these moderate-sized industrial companies are bound to have difficulties, and we would estimate that not less than ten per cent. and probably substantially more of the securities of these companies of moderate size are liable to show substantial losses over a period of five or ten years.

"On the other hand, if the buying department of a banking house of issue is keen and able, the chances are that a very substantial majority of the companies whose securities they bring out, will enjoy increased prosperity of various degrees and the conversion privilege or warrant attached to the security sold will add substantially to the value of the original investment, and thereby give the investor who has purchased this 'business man's investment' the additional profit which we feel he is entitled to for putting behind the business a substantial percentage of the company's net working capital.

"If the investment bankers of the country could agree that the above outlined principles are sound and that in justice to their clientele they should demand from the small industrial company something more than merely the interest on the bonds or the dividends on the preferred stock, it would soon become generally recognized that industrial securities of this type should properly carry a speculative feature in favor of the investor."

Dividends Declared

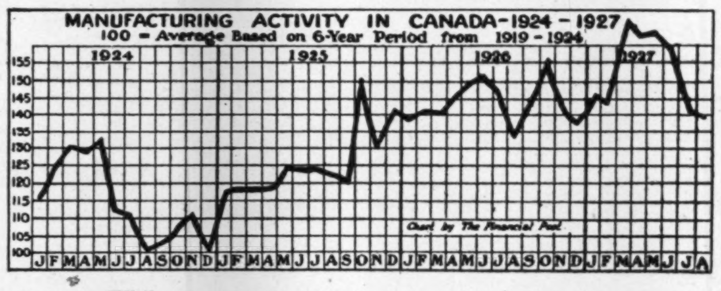
	Rate	Date	Record
Hiram Walkers	50c.	Dec. 15	Nov. 30
Can. Car pref.	1¾%	Oct. 10	Sept. 26
How. Smith Paper, pf.	2%	Oct. 10	Sept. 30
Bell Telephone	2%	Oct. 15	Sept. 23
Shawinigan	50c.	Oct. 10	Sept. 23
Power Corp., pf.	1½%	Oct. 15	Sept. 30
Do., non-cum. pfd.	75c.	Oct. 15	Sept. 30
Can. North. Pr. pf.	1¾%	Oct. 15	Sept. 30
Brazilian	1½%	Oct. 15	Sept. 15
Hillcrest Coll. com.	1½%	Oct. 15	Sept. 30
Do., pref.	1¾%	Oct. 15	Sept. 30
St. Maur. Pr. com.	1%	Oct. 15	Sept. 30
Inter. Utilities "A"	87½c.	Oct. 15	Sept. 30
Inter. Paper, pref.	1½%	Oct. 15	Oct. 1
Inter. Paper, pref.	1¾%	Oct. 15	Oct. 1
Do., com.	60c.	Nov. 15	Nov. 1
Dom. Textile, pref.	1¾%	Oct. 15	Sept. 30
Brant. Cordage, pfd.	2%	Oct. 15	Sept. 20
Nipissing	1½%	Oct. 20	Sept. 30
Can. Cement, com.	1½%	Oct. 17	Sept. 30
Dome Mines	25c.	Oct. 20	Sept. 30
Brompton, com.	50c.	Oct. 15	Sept. 30
Quebec Power	2%	Oct. 15	Sept. 30
Mtl. L., H. & P.	50c.	Oct. 31	Sept. 30
Dom. Power, pfd.	1¾%	Oct. 15	Sept. 30
So. Can. Power, pf.	1½%	Oct. 15	Sept. 24
Do., com.	$1	Nov. 15	—
Mtl. Telegraph	2%	Oct. 15	Sept. 30
Can. Ind. Alcohol	32c.	Oct. 15	Sept. 30
Standard Bank	3%	Nov. 1	Oct. 15
West. Groc., pfd.	1¾%	Oct. 15	Sept. 30
Kerr Lake Mine	6c.	Oct. 15	Oct. 1
Ott. Mtl. Pr., pfd.	1¾%	Oct. 15	Sept. 30
Imperial Bank	3%	Nov. 1	Oct. 15
Asbestos, pref.	1¾%	Oct. 15	Sept. 30
Maple Lf. Mill., pf.	1¾%	Oct. 18	Oct. 8
Span. River, com.	1¾%	Oct. 15	Sept. 30
Do., pref.	1¾%	Oct. 15	Sept. 30
Brant. Cd., 2nd pf.	50c.	Oct. 15	Sept. 20
Goodyear Tire, com.	$1.25	Oct. 10	Sept. 30
Abitibi Power, com.	$1.25	Oct. 20	Oct. 10
Penmans, com.	$1	Nov. 15	Nov. 5
Do., pref.	1½%	Nov. 1	Oct. 21
Christie, Brown, com.	30c.	Nov. 1	Oct. 15
Do., pref.	1¾%	Nov. 1	Oct. 20
Trinidad Elec.	1¼%	Oct. 10	—
Tooke Bros., pfd.	1¾%	Oct. 15	Oct. 1
Tuckett Tob., com.	1%	Oct. 15	Sept. 30
Do., pref.	1¾%	Oct. 15	Sept. 30
Steel of Can., com.	1¾%	Nov. 1	Oct. 7
Do., pref.	1¾%	Nov. 1	Oct. 7
Pressed Metals, com.	75c.	Oct. 15	Sept. 26

Recession of Physical Volume of Manufactures Takes Place in August

Five Out of Eight Factors Considered Register Improvement, But Sluggish Conditions in Milling Industry Pull Down Index

Five of the eight factors used by the Bureau of Statistics in determining the physical volume of manufacturing, show an improvement during the month of August, but on account of sharp declines in the other sections, the total index declined from 140.2 in July to 139.7. In comparison with the last year, the August showing is even more favorable than that of July, as the former records an increase of 5.1, whereas the latter declined 5.4.

The steady decline in the production of flour has been a continual drag in compiling a favorable index, which is based on results attained in the years between 1919 and 1924. This industry has been in the doldrums for the past three years. While two or more factors show a substantial increase, the index on flour production is invariably sure to minimize the favorable trend.



If this item was not taken into consideration in compiling the index of physical volume of manufacturing, a more comprehensive idea of the status of affairs would be gained by a compilation of the other seven factors.

Sugar Production Heavy

The heavy increase in the volume of sugar manufactured during August was largely instrumental in maintaining the index around 140. Reports show that 104,717,000 pounds of sugar were manufactured, as compared with 78,261,000 pounds in the preceding month and with 87,585,000 pounds, the previous high monthly figure for this year. As a consequence, the index advanced from 85.9 in July to 119.1. Since the beginning of the year, however, the sugar industry has failed to maintain last year's record of production.

Cotton imports declined in August on account of the substantial rise in price of raw material. For the past three or four months, Canadian manufacturers have been taking advantage of the low prices prevailing and have stocked up heavily. Supplies on hand are undoubtedly sufficient to carry for some months on the basis of normal consumption. In the six months ending July, 86,279,000 pounds of cotton were imported. This compares with 78,099,000 pounds and 65,356,000 pounds in the corresponding periods of 1926 and 1925, respectively. The index now stands at 118.0, which, while less than in the previous month, is much ahead of the same month of preceding two years.

Decline in Lumber Exports

The index of lumber exports was another to show a decline in August. This is usual at this time of the year and under ordinary circumstances would not be given more than passing notice. This year's decline, however, is more pronounced than in either 1926 or 1925. With the greater part of the construction work underway or finished, it is unlikely that the balance of the year will see any great change in exports, the tendency to be downward rather than upward.

While the newsprint industry is said to be lagging, production from month to month this year clearly tends to disprove this assertion. Not only is the index of 210.0 above that of any previous month on record, but the actual volume of manufacture is greater. For the seven months ended August last, newsprint produced in Canada amounted to 1,280,410 tons, as compared with 1,219,335 in the corresponding period of 1926. The average monthly production this year totals 160,051—the highest on record.

Iron and Steel Improves

Primary production of iron and steel has varied somewhat this year, but on the whole, is greater than in 1926. The index of pig iron output, standing at 107.5, is higher than in the preceding two months and is 17.6 above the figure for August of last year. The index for steel shows an even greater increase, having jumped from 64.4 in July to 118.4 in August. In August, 1926, the index stood at 70.3.

Production in this division follows closely activity in the automobile and construction industries. The former slackened for a time, owing to the change in models for the coming year, but is once again in its stride.

One of the principal reasons in holding down the general index of the physical volume of manufacturing in August was the smaller output of motor vehicles. The situation was only temporary, however, as production picked up. It is expected that the figures for September will show substantial increase, bringing the index up to a level equal, if not greater, than that at the same time in 1926.

At the moment, it appears that final results for the year will be better than those of 1926. In August, a year ago, the index stood at 134.6, or 5.1 less than in the same month this year. With the exception of July, the figure has been consistently higher, and the more or less definite assurance of another large revenue-producing crop, augurs well for the balance of the year.

Yields Decline on Foreign Securities Sold on This Side

Special to The Financial Post.

SEATTLE.—During the past year, the foreign security market continued to follow the development of recent years by rising to a new high level, said the report of the Foreign Securities Committee presented to the Investment Bankers Convention. The total amount of foreign securities placed during the year ended June 30, 1927, amounted to $1,350,000,000 as compared with $1,100,000,000 during the previous twelve months.

Notwithstanding the gradual return of the financial power of Great Britain and of continental countries as Holland and Switzerland, the United States continues to lead as banker of the world, as is seen in the following table showing the value of foreign securities issued in the capital exporting countries in 1926.

United States	$1,134,000,000
England	560,000,000
Holland	116,000,000
Switzerland	78,000,000

Leading Exporter of Capital

Although the United States is thus the leading exporter of capital, the percentage of foreign loans to total issues in the United States is relatively small, amounting in 1926 to but 18 per cent. Foreign issues offered in Great Britain in that year were 44 per cent. of total offerings. Foreign flotations in this country will continue for a long time to constitute a relatively smaller percentage of the whole than in Great Britain for this country is rich in its opportunities for development and presents a constant demand on capital for productive enterprises. The United States is certain to absorb the major portion of its new capital until such time as lack of domestic needs for it forces a larger share abroad. Necessity, not choice, is the cause of the high proportion of British capital seeking investment elsewhere.

More Corporation Issues

During the past year there was a continued tendency toward an increased proportion of foreign corporate over governmental issues. While in 1923, government issues amounted to 221 million dollars and corporate to only 54 million dollars, in 1926 government securities issued on the American market amounted to 552 million dollars and corporate issues to 603 million dollars.

There is, however, no doubt that government loans will continue on a large volume. New nations have arisen in Europe, and some of them are not as yet in a position to maintain their currency systems and to place their finances on a sound basis without the aid of external loans.

Margin of Yield Declines

A sound test of the value of an international loan, whether from the pecuniary viewpoint of the investor who buys it or from the social standpoint of the borrower who obtains the funds, is the purpose. The great mass of foreign lending by the United States during the past year has been applied to strictly productive purposes such as the development of hydro-electric power, the rebuilding of industry or the restoration of the financial systems of the borrowing nations. Hence, meeting the service on these loans is all the more assured.

The margin of yield between foreign and domestic issues has declined during the past year. Its continued existence is due to the natural inertia of funds to move away from home. In this connection, it must be remembered that any economic or political change which might affect the value of a security is nowadays quickly known to the public on this side, and so the control of funds placed abroad is greatly facilitated.

OGILVIE MILLS MAY SPLIT ITS SHARES

Move Would Meet with Popular Approval—Company Enjoys Great Liquid Strength

From Our Own Correspondent

MONTREAL. — The marked strength shown by Ogilvie Flour Mills lends support to reports of a split in the shares to take place in the near future. The common stock is now selling around 350 and the preferred at 122.

It has for long been an accepted theory that Ogilvie was greatly undercapitalized, and the present high level of the shares prevents the general public from participating to any great extent.

Ogilvie is a large holder of such well known securities as Canadian Pacific Railway, Consolidated Smelters, Brazilian Traction, Abitibi, Dominion Textile and many others on which they have enormous profits.

As remarked by the vice-president of the company, W. A. Black, at the last annual meeting, the directors have fortunately followed the policy of investing the company's surplus earnings in lines other than flour milling instead of increasing its plant and this policy has assisted substantially in doing so well for the shareholders.

With regard to the splitting of the shares the suggestion has been made that the present stock be split up on a basis of 10 new shares for each one now held, which would thus bring the level of the new stock down around 35. There would then be 750,000 shares outstanding. The new shares would carry attractive dividends from the outset. If such a course is followed, Ogilvie would become one of the most popular issues on the local board.

The annual report for the year ending August 31 last will be despatched to shareholders about the middle of the month and it will make very cheerful reading.

Pulpwood Shipments Heavy

MONTREAL.—All records for the shipment of pulpwood through the Port of Montreal have been broken this year. With prospects of a late closing of the port, shipments as of Sept. 30 already exceed those for the entire season of 1926 by over 13,000 cords. Vessel carryings in excess of 326,784 cords or 653,568 tons have been recorded up to the beginning of October. The largest shipments prior to this time were made in 1925, when 315,775 cords were shipped through the Port of Montreal.

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INSURANCE TRUST LEAVES NO DOUBT TO CONSERVATION

Protects Beneficiaries Against Loss of Funds

By **JOHN S. MOORE.***
General Manager, London & Western Trusts.

The trust company is not a competitor of the life insurance company. On the contrary, it leaves it largely to the wisdom of the insurance agent to determine whether or not the life insurance trust plan is more suitable to the needs of the prospect than the contract which he might issue through his company. There is no need of "treading on each other's toes." It must be conceded that it is a mistake to make payment of lump sums to an inexperienced beneficiary, and in the majority of cases the beneficiary is absolutely without investment experience. Wherever this is recognized by the insured, the trust company offers its services; and it appeals to the life insurance salesman for that measure of co-operation which should result in benefit to both the insurance company and the trust company.

Duty to Insure Conservation

It is the duty of life insurance men, after selling insurance to the prospect, to see that so far as possible, it is properly conserved. This conservation is admirably achieved by means of the life insurance trust.

The general impression of a life insurance trust is that it is a rather complicated affair. That is not so. It is only necessary for the assured to make his policies payable to a trust company as trustees and enter into a simple agreement with the trust company as to the method of administration of the proceeds realized from the policies. Such a trust becomes operative immediately upon the death of the assured; there is no delay as is often the case in the probating of a will. The trust company collects the insurance money, invests it immediately or makes the disposition of it which is required under the trust agreement.

I do not consider that the duty of the insurance salesman ends with the procuring of the prospect. It is part of his service, I should say, to see that protection which he sells is, itself, protected. It may be argued by one interested only in selling life insurance that the insurance company which he represents provides in its income policy against such contingencies as I have enumerated.

Meeting Special Needs

No doubt, the income policy meets the needs in a great many cases, but it lacks flexibility. Illness in the family does not distribute itself evenly over a period of years; sometimes there is an extreme case. Exceptional advances are required at times to meet such unusual illness or provide the children with special education. It is only under a trust agreement with power to the trustees to use its discretion, that such contingencies can be readily met. I seldom draw a will or a trust agreement without making a provision therein that the discretion of our company may be exercised in making special advances to meet such conditions. I have in mind several cases where the result would have been pitiful if such provision had not been made.

A simple trust agreement between the assured and a trust company will assure the conservation of insurance funds. Such an agreement need not follow any stereotyped form, but may be framed to carry out the wishes of the assured in detail. To be thoroughly effective, it should be irrevocable, but to meet objections of the assured, an agreement is frequently made revocable.

So much for the simple insurance trust.

Funded Trust Is Different

There is another form of insurance trust generally called the funded insurance trust. Under this form of trust, the creator of the trust sets aside a sum of money or blocks of securities, and enters into a trust agreement that outlines his plans and deposits the money or the securities or both with the trustee. The trustee invests the money or manages the securities, using the income and if necessary, part of the capital to pay the premiums on all of the life insurance which the trust will carry.

At the death of the creator of the trust, the trustee collects the insurance money, invests it and adds it to the original fund or so much thereof as remains, and uses the income or part of the fund itself if the trust agreement has so stipulated, in supporting, educating or assisting the family or in such other ways as the trust agreement may direct.

The advantage of the funded trust lies in the fact that the creator by setting aside a lump sum of capital, at once creates an estate much larger than the amount of the capital set aside, and he provides against the possibility of adverse circumstances later in life leaving his family without proper means of support. Let us consider a very recent case which came under my notice:

How One Case Worked Out

A man worth a quarter of a million dollars or more, met a series of adverse experiences. Through fire, and the failure of certain enterprises in which he was interested, his business liabilities amounted to more than $160,000. There were the usual accommodations to friends, amounting to about $10,000. Other industrial enterprises than his own in which this man had an interest, felt the after-war slump and the majority of his securities became unsaleable. The executor is at present struggling to keep the creditors satisfied until conditions become normal and the assets of the estate can be realized upon without undue sacrifice. The wife and family in the meantime are put upon a very scant allowance.

What a good thing it would have been in this case had the man in his time of prosperity, set aside a fund—say of $50,000 (which he could have done without any serious inconvenience) to establish an insurance trust for the benefit of his wife and family. He might in this case even have done so for the benefit of his creditors, with advantage to his estate.

One very desirable purpose of life insurance is to provide a fund for payment of succession duty (sometimes called inheritance of death taxes). There hangs in my office a cheque of our company to the treasurer of the province for the sum of $473,737.19, the duty in the estate of a wealthy man who had no immediate family. A large portion of that money was advanced by our company to the estate as a loan, thereby avoiding the sale of valuable securities at a time when it would have exacted a heavy sacrifice. Insurance by the testator and the creation of a trust for this express purpose would have been a wise provision—in fact, with an individual as executor, it becomes an absolute necessity if sacrifice of the assets of the estate is to be avoided.

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*Address to Polar Bear Club of Northern Life Assurance Company.

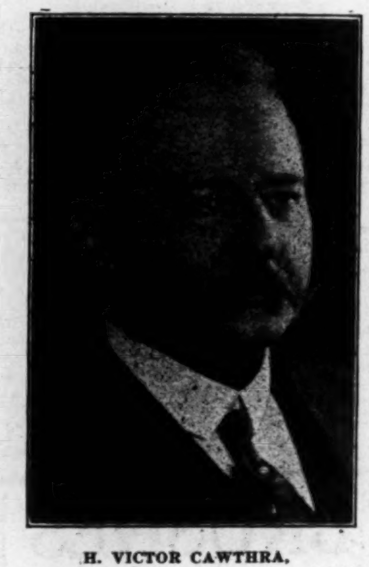
New Crown Life Head Big Real Estate Holder

By **KENNETH R. WILSON.**

In the "Gazette and Oracle," of "Muddy York," of June 21st, 1806, there appeared this advertisement:

> "J. Cawthra wishes to inform the inhabitants of York, and the adjacent country, that he has opened up an apothecary store in the house of A. Cameron, opposite Stoyell's tavern in York, where the public can be supplied with most articles in that line. He has on hand also a quantity of men's, women's and children's shoes, and men's hats. Also for a few days there will be sold the following articles: Table knives and forks, scissors, silver watches, maps and prints, profiles, some linens, and a few bed ticks, teas, tobaccos, and a few casks of fourth proof cognac brandy, and a small quantity of lime juice, and about twenty thousand Whitechapel needles."

To-day, the Cawthra connection—direct descendants of this same "J. Cawthra"—constitutes one of the most interesting and important families in Ontario. Their holdings in real estate alone, in and about Toronto, have been conservatively estimated at $8,000,000, which is by far the most important single holding in Ontario.



H. VICTOR CAWTHRA,
who in private life manages one of the largest family estates in Canada, and who now assumes the presidency of the Crown Life Insurance Co., as successor to the late John G. Kent.

Great-Grandson is Insurance President

The reason that the name of Cawthra is of particular interest to insurance people at this time, lies in the fact that Victor Cawthra—a great grandson of the Joseph Cawthra of the advertisement, has recently been made president of the Crown Life Insurance Co. Outside his own immediate circle of friends, little or nothing is known about this Canadian gentleman who now heads one of the strongest young life insurance companies in Canada.

H. Victor Cawthra, in spite of his fine Canadian connection, was born in England. Originally an old Yorkshire family, until the emigration of Joseph Cawthra to America, the Cawthras constantly returned to their homeland, and in the year 1866, Victor Cawthra was born at St. Helier, Jersey, one of the Channel Islands. He received a certain amount of early schooling at a private school in England, and then came to Canada and attended Upper Canada College.

After U.C.C., he proceeded to the University of Toronto, where he received his Bachelor of Arts degree in 1889. Evidently it was intended that Victor Cawthra should enter the legal profession, because while at the University, the young undergraduate read law preparatory to embracing that profession. Accordingly, he once more crossed the Atlantic, and studied for three years at the Inner Temple, London. He was called as a barrister-at-law in the year 1894, and shortly afterwards returned to Toronto.

But Has Never Practised

However, in spite of this splendid equipment for law, Mr. Cawthra has never practised his chosen profession. His life has largely been devoted to the management of the tremendous interests which have been built up around the humble beginning of his great-grandfather. In addition, of course, he has traveled extensively on the continent, and has spent a considerable amount of time in Germany.

The Cawthra property, which comprises the bulk of the family estate, was originally a grant of 200 acres, made by the Crown to Joseph Cawthra, and to which was added a further 200 acres, which that gentleman later acquired in and around Toronto. The original Cawthra house was a small wooden dwelling at the corner of what is now King and Sherbourne Streets, Toronto, but later the family occupied a very imposing stone house on what is now the north-east corner of Bay and King Streets. Part of the original grant of land, which is still in the family's possession, is situated at Toronto Tp., near Port Credit.

Represents Fire Insurance Company

Besides the family real estate, Victor Cawthra has for some twenty years, represented the Guardians Assurance Co., one of the largest British fire insurance companies.

For several years now Mr. Cawthra has been a director of the Crown Life Insurance Co. He joined the board at the instigation and request of the late G. T. Somers, who was so largely responsible for putting this young company on its feet. Last year he was made vice-president of the company, and a few weeks ago, following the death of the president, John G. Kent, he assumed the presidency, which had been held by his friend, Mr. Somers, little more than two years ago. It is an interesting coincidence, that along with the announcement of Mr. Cawthra's appointment, it was also announced that C. W. Somers, the son of G. T. Somers, had been appointed vice-president of the company.

General Exchange Likely to Make Oshawa Head Office

The insurance company which is about to move its head office to Oshawa, Ont., is the General Exchange Insurance Company. During the past week, rumors have been circulating to the effect that a newly-formed Montreal insurance company was about to locate in Oshawa. However, although there has as yet been no official announcement, The Financial Post understands that the General Exchange, with Canadian head office in Toronto, and its home office in New York, is the company which is about to make the move.

Very little is heard about this company in the ordinary course of events, in view of the fact it is a subsidiary of General Motors Corporation. Originally the company was a direct subsidiary of General Motors, but more recently the organization has become directly connected with the General Motors Acceptance Corporation, which handles all the instalment sales of the parent company.

In the United States, this insurance company handles more automobile insurance than any other single company, and in Canada, for the year 1925, premium income amounted to something like $765,290. The company received a Dominion license at the end of 1925.

Its entire business consists in writing automobile coverage on the cars which are sold by the parent corporation. This includes, of course, the seven types of G.M.C. cars, Chevrolet, McLaughlin, Pontiac, La Salle, Cadillac, Oakland, and the G.M.C. truck. The bulk of the company's business is done on fire and theft lines, but the company is also licensed to write property damage and collision.

No official confirmation of the move is expected for about four weeks, but in the meantime, it is understood that the site has already been chosen for the erection of the head office building.

Metropolitan Life Makes Further Changes in Staff

The following staff changes are announced by the Canadian head office of the Metropolitan Life:

Joseph Chartrand, agent in the St. Denis, Montreal Canadian District, is promoted Assistant Manager in the Mount Royal, Montreal District; Emmett Stapleton, agent at the Ottawa District, is appointed Assistant Manager at the Ottawa District; J. R. Gibson, agent at the Hamilton, Ontario District, is appointed Assistant Manager at the Hamilton District; S. A. Clerk, agent at the Saint John, N.B., Canada, District, is appointed Assistant Manager at St. John, N.B.; Hermas Therien, former Assistant Manager at the Cartier, Montreal, District, is reappointed Assistant Manager at same district; A. C. Washington, agent at the Timmins, Ontraio, District, is appointed Assistant Manager at the Timmins, Ont., District; A. B. Payette, agent at the North Bay, Ont., District, is appointed Agent Unattached at the North Bay District.

Manufacturers Confer With Liability Men in Quebec

Definite co-operation between insurance interests and the Canadian Manufacturers' Association, in the matter of workmen's compensation in the province of Quebec, is evidenced by the fact that a committee under the leadership of Julian C. Smith, general manager of the Shawinigan Water & Power Co., has been appointed by the manufacturers to thrash out the whole question. Several meetings have been held with representatives of the Canadian Casualty Association, and as a result, it is expected that there will be much closer co-operation in the future, between these two bodies. At the present time, the Casualty Association is busy preparing definite proposals, which will probably be discussed with the manufacturers, and then will be placed before the government, with a view to finding a satisfactory solution to this problem.

The membership of the manufacturers' committee is as follows: H. M. Jaquays, vice-president of the Steel Co. of Canada; J. N. Boyle, J. A. Bothwell, general manager of the Brompton Pulp and Paper Co.; P. E. Joubert, W. S. Atwood, F. R. Whittall, and N. C. Polson, Jr.

Mutual Life Appointment

The Mutual Life of Canada announces this week that G. F. Copeland has been appointed branch manager of the company's London agency to succeed C. E. German, who has been representing the company in that city for some 42 years. Mr. German will continue to represent the company personally, but the duties of district manager will be assumed by Mr. Copeland, who has had some nine years of experience with the company at the London office.

Open Montreal Office

Roberts, Cameron & Co., members of the Montreal Curb Market, announce the opening of offices in Montreal at 236 Board of Trade Building. G. A. Beaulieu is resident manager.

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Laurentide May "Swap" New Timber Limits

From Our Own Correspondent.

MONTREAL. — The Laurentide Company of Grand'Mere, Que., has definitely committed itself to an invasion of the Ontario pulp and paper field by its recent purchase of some 3,500 square miles of heavily wooded timber limits in the Ottawa Valley.

The ultimate purpose of the purchase has not been disclosed and has given rise to much speculation. George Chahoon, Jr., general manager of the Laurentide Company, has stated that his company has made no plans for any building operations on the newly acquired property, but that the purchase was to be considered in the light of a protection and to serve as a timber reserve for future use.

It has already been conjectured that Laurentide may "protect" itself by arranging a swap of its Ottawa River timber limits with the International Paper Company which, through its subsidiary, Canadian International Paper, owns timber limits on both the Ottawa and St. Maurice River valleys.

The new timber limits of the Laurentide Company were purchased from the Hawkesbury Lumber Company and the Pembroke Lumber Company. The limits are mostly situated in the Madawaska district some forty miles northwest of Pembroke.

The Laurentide Company acquires three large saw mills in the purchase—one belonging to the Hawkesbury Lumber Company at Hawkesbury, Ont., which it takes over three years hence, and two at Pembroke belonging to the Pembroke Lumber Company.

Bad Year for Hail

One of the worst years in the history of the hail insurance business is reported by a prominent insurance company official who has just returned from the West. The average loss ratio for the year is estimated at about 150 per cent. for all companies, with individual ratios running as high as 400 per cent. in some cases. Last year the loss ratio for Dominion licensed companies, amounted to about 70 per cent., and in 1925, to 42 per cent.

Motor Cars in Saskatchewan

According to the Provincial Treasurer's report there has been a tremendous jump in the number of motor cars used in Saskatchewan, from 10,255 in 1915, to 102,000 this year up to the end of August. Revenues from motor licenses and fees this year ran to $1,510,262; corporation tax to $516,199,000, and railway tax $349,000.

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Current Events in Banking World

SEND SIGNATURES BY WIRE AND BIG DEAL IS CLOSED

Telephone Transmission is now Used by American Banks

A large New York bank found itself facing a rather serious problem recently. An important negotiable document had been forwarded to San Francisco for completion. Through some unforeseen technicality the verification of a signature with accompanying acknowledgement had not been made and a transaction which involved a deal running into seven figures was at stake.

The steamer which was to carry the document to the Orient was due to sail in eight or twelve hours. Long-distance telephoning confirmed the circumstances and emphasized the possibility of heavy losses, but this did not correct the error. The executive vice-president of the New York bank who was handling the transaction had an inspiration. He had read of telephonic transmission of pictures, but the bank had never employed the new invention. The mere statement of the problem to the telephone company solved the difficulty.

Send Signatures on Wire

It was found that accurate and verified reproduction of certain signatures and one or two documents by telephotography, which consists of transmitting over the telephone lines pictures of anything that can be photographed, would be legal confirmation. Within an hour or two accurate duplicate photographs of original signatures and official verifications were in the hands of the San Francisco institution and an important deal was saved from failure.

Banks across the border are finding this new telephonic transmission of great value when instantaneous verifications, etc., are necessary. Through its employment a bank in any large city can confirm the signature of a customer in a strange bank. If the matter is important enough, the bank can transmit accurate facsimiles of any document. In brief, banks hundreds and even thousands of miles apart are able to transact business as easily as though located next door to each other.

Yes, It Is Expensive

Naturally, the question of cost enters, but where important deals are pending the expense is not prohibitive. The charge for the transmission of one picture 5x7 inches varies according to distance. To send a picture of the size named from New York to Cleveland entails a fee of $15. The charge to Atlanta and Chicago is $20, to St. Louis $25, to Los Angeles or San Francisco $45. At present, eight cities—Boston, New York, Cleveland, Atlanta, Chicago, St. Louis, Los Angeles, San Francisco—are equipped through the Bell system for the transmission of pictures, but it is stated that, when necessary, reproductions can be placed in 50 cities within eight hours, this through the aid of airplane delivery. The schedule of charges is based on distance, but the New York rates give an approximate idea of the average. Where two or more cities are linking up for the delivery of one picture, the charge is less in proportion than where only one production is required.

How the Thing Is Done

The service is by no means confined to banks, as news pictures, financial advertisements, criminal finger prints, stock certificates, mechanical drawings, financial statements, copies of documents and signatures, industrial designs, and, in fact, pictures of anything that can be photographed may be forwarded. To explain the new process in a non-technical manner is difficult, but an understanding of what is regarded as a little less than electric wizardry may be had from the following:

The positive film is inserted in the transmitter simply by rolling it up in a cylindrical form. During transmission a very small and intense beam of light shines through the film on a photo-electric cell within. The film is rotated at a uniform speed and by means of a screw mechanism is caused to advance parallel to the axis of the cylinder. The relative motion of the light to the picture on the cylinder is, therefore, the same as that of a phonograph needle to a cylindrical record. In this way, each minute portion of the picture in turn affects the intensity of the light reaching a photo-electric cell. This variation in the amount of light striking the sensitive surface of the cell gives rise to current variations which, through the agency of a vacuum tube amplifier and modulator, control the current flowing through the telephone line.

At the receiving end an unexposed photographic film is rotated under a beam of light in a manner similar to that at the transmitting end. The two films are caused to rotate at exactly the same speed, and the impulses starting from the photo-electric cell at the sending end control, by means of a new device known as a "light valve," the amount of light reaching the film at the receiving end.

Staff Gossip

M. W. Telfer of the Blyth branch of the Canadian Bank of Commerce has been transferred to the branch at Crediton, as manager.

* * *

J. H. Strong, for the past three years manager of the Portage la Prairie branch of the Bank of Nova Scotia, has been transferred to Prince Albert.

* * *

W. J. Hunt, manager of the Windsor, N.S., branch of the Bank of Nova Scotia, has retired from the bank after forty years of service. Mr. Hunt's successor is M. A. Girvan of Carbonnear, Nfld.

* * *

A. B. Morkill, manager of the Anyox branch of the Canadian Bank of Commerce, has been transferred to Victoria, to take charge of the Johnson Street branch. D. M. Sinclair of Keremeos succeeds Mr. Morkill at Anyox.

* * *

After forty years of banking service, the greater portion of that time being spent with the Sandard Bank, C. A. McClellan is retiring from the management of the Whitby branch of that bank. C. A. Bryans, manager of the Colborne branch, has been appointed to succeed Mr. McClellan.

Does Trade Follow Capital?

Hartley Withers Discusses Problem—Says it is Not Always the Case and Shows Why

By **HARTLEY WITHERS**, Famous British Economist.
Special to The Financial Post. Copyright, 1927.

In the September number of the American Economic Review there was an article by A. P. Winston, discussing the question whether trade follows the dollar; the writer devotes a good deal of study and research to proving, apparently to his own satisfaction, that it does not, while his own admissions and statements seem to indicate very clearly that it does.

With all deference to the opinion of this very painstaking exponent of an interesting economic problem, I venture to think that he has read far too much into the arguments of those who try to prove that a country which is investing abroad is likely to sell goods abroad. He puts the case as follows:

"The opinion has gained general acceptance that investments abroad have an important effect in stimulating export trade, since (it is assumed) the manufacturers of the country supplying the capital are assured of a preference over other nationalities in the sale of materials and equipment for these undertakings (presumably the undertakings financed by the capital exported).

"This power of aiding trade is ascribed to one or other of two sorts of investment: (a) Loans as for Chinese government railways. The loan contract, it is said, commonly requires the purchase of material and equipment from the country of the lenders; (b) investment at the investor's own risk, as when a European company obtains a concession for a railway enterprise in South America. In that case, it is said, the investors give a preference in making purchases to manufacturers of their own nationality."

Giving Own Manufacturers Preference

Mr. Winston is able to cite a large number of quotations, chiefly of American origin, which show their writers have believed that the effect of foreign investment is much more direct than it is in fact. One of them said, for instance, that "if American financiers were to undertake the building of a railway line in Argentina, the rails, bridges, cars, locomotives, etc.," would be "largely, if not wholly, supplied by manufacturers in the U.S." He is also able to show, with regard to loans, that no borrower would voluntarily consent to the restriction under discussion, which is certainly true, but does not affect the fact that it is often imposed, as he admits, when he says that "Governments (notably the French) have at times attempted, with doubtful success, to give their manufacturers a preference."

As to the second class of investments, such as the building of railways in Argentina or Brazil by foreign companies, Mr. Winston believes that there is an assumption that the administrators of the enterprise will be led by motives of patriotism to prefer the products of their own country, and he adds that no other motive is suggested. This assumption he derides, on the ground that (1) "even the home railways of France and other countries use large amounts of imported material," and "there is no reason to expect a different policy by investors of the same countries when they go abroad"; (2) that railways are so poor an investment that they could not afford it; and (3) that foreign governments, whether borrowing or granting charters, would not subject their railway systems to uneconomical methods of purchasing. And yet he admits that "when the manufacturers of an investing nationality are able (like those of Great Britain) to supply needed material of good quality at low prices, the national prejudice may doubtless have an appreciable influence." This is probably all that those who have rather overstated the case really meant, though they might also point out that it is not only a matter of national prejudice, but also of ease and convenience. When one deals with one's own countrymen there is no question of different language, currency, measures, business methods, and so on. If his goods are not too dear, one's neighbor has all this natural protection in his favor. But it does not, and Mr. Winston is right in insisting on this, close the market for him if he cannot deliver the right goods at the right price. But most of us who believe that goods sold will follow money lent, argue on much wider and simpler grounds. Mr. Winston is good enough to quote an article of mine which said that "if a South African state that is building a railway raises a loan in London, it may spend the proceeds on steel rails manufactured in Belgium or on rolling stock manufactured in the United States, but the Belgian or American seller of the goods will take payment in sterling drafts, because sterling credit is all that the borrowing government has got for making payment for them, and either they or someone else to whom they pass the credit must buy something in England, for England is the only country where the particular kind of money that has been borrowed passes current in exchange for goods and services." Mr. Winston reinforces this quotation with his own observation that "it is of course true that, without any contract stipulation, loans and other exports of capital bring about an exportation of goods from the lending country, as the payment of the loans, like other payments abroad is effectuated through an exportation of goods." Which, surely is only another way of saying that trade follows the dollar or the pound, or whatever be the money exported.

There is this reservation to be made, that a country with an effective gold standard may have money that it lends taken, not in the form of goods or services, but in gold. This is why restrictions on foreign lending, when it threatened to turn the exchanges too sharply against London, were imposed by the Bank of England. But except at times when the gold position needs delicate handling, those who invest abroad can certainly lay the flattering unction to their souls that they are helping their country's export trade, though, as Mr. Winston clearly proved, it need not be that branch of the export trade which might seem most likely to benefit from the investment.

Monthly Bank Clearings

(In comparison with same month last year).

	Sept., 1926	Sept., 1927
Eastern Cities		
Halifax	$ 11,656,308	$ 12,915,928
Saint John	10,374,342	10,408,558
Moncton	3,459,623	3,695,452
Sherbrooke	3,686,875	3,822,872
Montreal	436,330,004	546,641,308
Quebec	26,749,366	27,527,768
Ottawa	26,482,275	30,157,992
Kingston	3,447,393	4,291,220
Peterboro'	3,685,958	3,878,603
Toronto	412,899,036	560,763,207
Hamilton	25,245,334	25,375,572
Brantford	4,305,999	5,439,348
London	10,789,588	12,892,652
Chatham	2,687,040	3,322,667
Kitchener	4,045,961	4,679,368
Sarnia	2,777,888	3,420,994
Windsor	18,972,913	....
Western Cities	**Sept., 1926**	**Sept., 1927**
Fort William	$ 4,322,636	$ 4,332,702
Winnipeg	203,396,078	183,430,449
Brandon	2,613,768	2,695,186
Regina	20,375,860	20,419,076
Saskatoon	8,618,708	....
Moose Jaw	5,586,604	5,832,619
Prince Albert	1,536,597	1,723,828
Edmonton	19,803,070	....
Medicine Hat	1,288,149	1,445,507
N. Westminster	3,509,468	3,700,999
Vancouver	71,739,665	74,328,829
Victoria	8,819,735	9,747,313
Calgary	22,253,539	29,552,086
Lethbridge	2,168,184	2,722,794

Weekly Bank Clearings

(In comparison with the same week last year)

	Sept. 30, 1926	Sept. 29, 1927
Eastern Cities		
Halifax	$ 2,769,611	$ 2,890,287
Saint John	2,253,958	2,233,761
Moncton	781,181	735,285
Sherbrooke	775,104	711,638
Montreal	98,117,384	127,443,129
Quebec	5,966,707	5,816,285
Ottawa	5,419,808	6,069,045
Kingston	616,239	1,075,302
Peterboro	847,535	801,496
Toronto	90,421,827	132,349,439
Hamilton	4,852,568	5,658,749
Brantford	932,607	1,330,722
London	2,230,523	2,956,841
Chatham	580,156	766,353
Kitchener	934,339	1,058,575
Sarnia	631,792	634,483
Windsor	4,221,449	4,732,924
Western Cities	**Sept. 30, 1926**	**Sept. 29, 1927**
Fort William	$ 786,805	$ 963,990
Winnipeg	58,667,253	44,582,718
Brandon	588,683	572,496
Regina	5,387,532	4,616,021
Saskatoon	1,836,445	2,041,040
Moose Jaw	1,429,527	1,272,118
Prince Albert	330,548	368,811
Lethbridge	434,147	563,116
Edmonton	4,448,469	5,527,168
Medicine Hat	272,053	360,194
N. Westminster	768,759	860,158
Vancouver	15,437,937	16,753,652
Victoria	1,769,990	2,108,493
Calgary	4,727,810	6,738,999

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United Amusement Pfd. & Com.	National Cement 7% Bonds
International Power Com.	Caron Freres 7% Bonds
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Dominion Combing Mills units	Cassidy's Ltd. 7% Pfd.
Mortgage Discount Pfd. & Com.	Toronto Brewing & Malting
Quebec Pulp & Paper units	Lamontagne Ltd. 7% Bonds
Mount Royal Hotel Pfd & Com.	Weithausen Hat Corp. Com.
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ERNEST ROSSITER, Montreal.
A. K. CAMERON, Montreal.
J. I. RANKIN, Montreal.
H. C. FLOOD, Montreal.

PRESIDENT'S ADDRESS

To the Shareholders:

Your Directors herewith submit their report for the fiscal year ending June 30th, 1927.

During this period your Company has doubled the newsprint capacity of the mills and has increased the pulp capacity at the same time, to balance the manufacturing facilities.

The four newsprint machines have now been operating since January of this year (six months of the Company's year) previous to which there were only two machines operating.

The full earning capacity of the four machines is not reflected in the present Balance Sheet, owing to the fact that the demand for paper slackened during the last six months of the Company's year, in consequence of which the two new machines were operating part time only.

Attention is called to the strong liquid position of your Company, which was improved by the sale, since the last Annual Report was submitted to you, of $1,000,000 6% Bonds, the proceeds of which have been for the time being invested in marketable securities included in the report under "Investments."

Your Directors wish to express their appreciation of the efficient work of the employees of the Company.

On behalf of the Board of Directors.
Yours very truly,
N. A. TIMMINS,
President.

BALANCE SHEET AS OF 30th JUNE, 1927

ASSETS

FIXED ASSETS			
Timber Limits		$1,228,250.60	
Investment in Subsidiary Company, including cost of financing		1,033,555.11	
Real Estate, Buildings, etc.	$1,795,806.43		
Less: Reserve for Depreciation	133,962.85		
		1,661,843.58	
Plant, Machinery and Equipment	$3,207,105.82		
Less: Reserve for Depreciation	1,109,433.18		
		2,097,672.64	
Construction 2nd Unit:—			
Cost to date, including cost of financing		4,142,638.22	
			10,163,960.15
DEFERRED ASSETS			
Accounts Receivable payable by instalments over a period of 16 years			60,430.65
ADVANCES ON ACCOUNT PULPWOOD			76,948.41
CURRENT ASSETS			
Cash on Hand and in Bank		305,257.95	
Accounts Receivable		476,351.07	
Bills Receivable		9,323.58	
INVENTORIES			
Newsprint	$91,406.80		
Raw Materials, Stores and Supplies	938,670.99		
		1,030,077.79	
		$1,821,010.39	
INVESTMENTS			
Investments at Cost, including $1,051,000.00. Dominion of Canada Victory Loan Bonds and other Marketable Securities	1,540,728.18		
Accrued Interest	9,918.21		
		1,550,646.39	
			3,371,656.78
DEFERRED CHARGES			
Insurance Deposits, etc.		54,052.82	
Sundries		58,926.60	
			112,979.42
			$13,785,975.41

N. A. TIMMINS, Director.
ERNEST ROSSITER, Director.

LIABILITIES

CAPITAL			
Authorized—			
25,000 Shares 8% Cumulative Participating Preferred Stock of $100.00 each.			
100,000 Shares Common Stock of no Par Value.			
Issued—			
25,000 Shares 8% Cumulative Participating Preferred Stock of $100.00 each		$2,500,000.00	
50,000 Shares Common Stock of No Par Value		250,000.00	
			$2,750,000.00
BONDS AND DEBENTURES			
6% First Mortgage Sinking Fund Gold Bonds, Series "A," due 1st March, 1946		6,500,000.00	
6% First Mortgage Sinking Fund Gold Bonds, Series "B," due 1st March, 1947	$1,000,000.00		
Less Unissued	75,000.00		
		925,000.00	
6½% Sinking Fund Mortgage Debentures due 2nd January, 1936		2,000,000.00	
			9,425,000.00
CURRENT LIABILITIES			
Accounts Payable and Accrued Charges, including Accrued Interest on Bonds and Debentures, and Provision for Income Tax		790,497.17	
Preferred Dividend payable 6th July, 1927		50,000.00	
			840,497.17
SURPLUS			
Balance as at 1st July, 1926		587,460.31	
Add: Net Profits for the year, as per Profit and Loss Account attached		383,017.93	
		$970,478.24	
Deduct: Dividend on Pref. Stock for the year to 30th June, 1927		200,000.00	
			770,478.24
			$13,785,975.41

NOTE:—There are options outstanding in connection with Debenture Warrants on 10,000 Shares no par value Common Stock.

Verified as per report of this date.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Auditors.

Montreal, 17th August, 1927.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30th JUNE, 1927

Profit for the year ended 30th June, 1927, after deducting all Manufacturing and other Charges and Expenses, including Income Tax, but before providing for Depreciation and Bond and Debenture Interest		$1,143,592.46
LESS		
Depreciation on Buildings, Plant and Machinery	$360,000.00	
Bond Interest	302,192.68	
Debenture Interest	98,381.85	
		760,574.53
Net Profit for the year		$383,017.93

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Auditors

INVESTING TRUST IDEA IS CAPABLE OF BEING ABUSED

All Kinds of Companies Formed Under That Name

Special to The Financial Post.

SEATTLE. — An important summary of the position of the investment trust on this continent was given by Charles L. Dickey at the convention of the Investment Bankers Association of America. He said, on behalf of a committee appointed to study the situation:

The investing trust idea originated in England and Scotland about 1880 and continued to grow rapidly from that time until the war. There, it was the natural result of the extremely low money rates prevailing sumultaneously with the extraordinary opportunity for profitable investment of funds in foreign countries.

The small individual investor was in no position to take advantage of these opportunities, and the financial leaders were willing to assume the responsibility of handling such funds only, provided they could be combined in a sufficiently wide variety of securities to insure safety of principal through diversification.

Success Has Been Extraordinary

The growth and success of the typical well-managed British investment trust have been extraordinary. They have been through the worst possible kinds of financial disturbances, including wars and panics in all parts of the world, and have successfully survived and prospered.

The very recent and sudden development of the investment trust idea in this country is the natural by-product of two distinct tendencies:

First.—The rapid growth of capital and the investment habit on the part of the American people.

Secondly.—The tremendous increase in number of opportunities for the purchase of securities—both domestic and foreign—which have become available to these comparatively untrained American investors.

Increasing Number of Trusts

The United States has become, without question, the most important investment market in the world. The large investors have been driven, to a great extent, to "tax-free" issues and the small investor not only seeks the advice and judgment of the financial leaders, but prefers to follow these leaders, rather than make selections of his own from the mass of available material. The natural and logical result of the above tendency has been the formation of an increasing number of investment trusts. Speaking broadly, it may be said that the number of investment trusts in the United States has almost doubled during the last five months, and that there are to-day some ninety-five different organizations of this kind, with total assets estimated at approximately $400,000,000.

There have been many definitions given for an investment trust, but, perhaps, the most comprehensive is included in the very interesting book on this subject by Dr. Leland R. Robinson, who says: "An investment trust is an agency by which the combined funds of many investors, both in large and small amounts, are utilized to purchase such a wide variety of securities that safety of principal is attained in diversification, while the portfolio is so managed that a good average yield is sought on share and borrowed capital. At the same time a close supervision of the portfolio permits a turnover policy aiming at the realization of capital gains and the avoidance of capital losses." There is no need to point out that the investment trust has no connection whatsoever with the term 'Trust Company" as it is commonly used.

Does Not Contemplate Promotion

The investment trust in a strict sense does not contemplate the function of financing or promoting, although, in many cases—both here and abroad—this is permitted by their charters, and, in some instances, has been actively carried on.

Your committee, however, has confined its study, for the most part, to the type of investment trust which falls under the above definition and whose sole business is the investment and re-investment of capital in widely diversified securities. Your committee feels that this type of trust follows along the tendencies outlined above, and is the natural development of present-day economic conditions.

Even with this limited field, the investing companies or trusts have already taken many forms and differ from one another widely in respect to management, restrictions, policies, capitalization and published information.

Let us briefly consider these points:

The absolute prerequisite of any successful investment trust is honest and intelligent management. Those handling the portfolio may be investment bankers or may be professional trustees, but, in any case they must be absolutely unbiased in the selection of securities.

Restrictions Should Be Shown

Various legal restrictions have been formulated and these range all the way from ability to make an occasional substitution to unlimited discretionary power. It is not within the province of your committee to express an opinion as to the relative merits of these two extremes or their intermediate steps, beyond stressing the importance of clearly setting forth in any prospectus exactly what these restrictions are. Frequently trusts are formed where the legal restrictions are moderate, yet certain definite policies are declared by the management in advance. For instance, there are specialized types of trusts which attempt to fill a special need, such as the "all bond" or "all common stock" trusts. Some have gone further than this in their specialization and include, for instance, only bank stocks or insurance companies' stocks. Managements frequently hold different ideas regarding the number of different issues of securities which should be held to obtain the greatest benefit. Some feel that the greater diversification, the greater the safety; whereas others believe in a particularly careful selection of a rather limited list. The committee feels that while, undoubtedly, these various types of trusts will appeal to different types of investors, it is impossible to classify them as good or bad purely because of their policy. Examples of each type of trust will, undoubtedly, survive if the management is honest and intelligent, and there are as many possibilities of error in one as in another.

Different Kinds of Capital

Probably no phase of the investment trust development has been more widely discussed among those familiar with the security business than the capitalization of the investing corporation, or trust itself. This has varied from those which have only common stock outstanding (in such cases the management is usually compensated by a fee, usually based on a percentage of earnings) to those which have the three principal kinds of securities, namely, common stock—preferred stock and bonds. The most popular form in this country has apparently been the sale of either bonds or preferred stock with a bonus of common. In most such cases the common stock has little or no book value at the outset, and a certain percentage of it is given in this way to insure those who purchased the senior securities of a participation in the earnings of the future—the balance of the common is usually retained by the management, who, in many cases, have supplied money junior to that paid in by the public. In such cases the management usually charges no fixed fee, but accepts whatever earnings may accrue on their common shares instead.

It does not seem to your committee that reasonable borrowing is, in any way, improper in the handling of an investment trust. Under certain conditions it seems advisable. It is, however, the opinion of the committee that the proportion of bonds or debentures should not be increased beyond a fixed or stated percentage of the total book value of the portfolio.

Two Classes of Income

It has been customary in England to regard income derived from the interest, dividends, etc., in an entirely different way from that which comes from profits on the sale of securities. The former is considered available for the distribution of cash dividends, as the directors see fit, while the latter is re-invested and has been responsible for the rolling up of a huge reserve cushion which exists in so many of these British trusts to-day. Your committee believes that this conservative policy is sound and is a matter which should be closely scrutinized by bankers and investors in selecting investment trust securities.

From the point of view of the investor, one of the matters of greatest importance is the amount of information given out by the management. Professor Ripley's articles have brought this entire subject into the public limelight, and, in the case of investment trusts, it is exceedingly important. It is the opinion of your committee that if the investment public are to be educated to the purchase of securities of investment trusts, backed by honest management, they should be given as complete information as possible regarding the policies of this management, as well as the securities or types of securities carried. At the present time there are outstanding examples of trusts which are in effect "blind pools," that is to say, no information is given whatever. Then there are those which publish an annual report, showing total net earnings. Next in line, come those which, in their annual report, give considerable detail, such as percentages of various types of securities held, and, finally, there are a few which send to their stockholders periodically a complete report giving a detailed list of the various issues in their portfolio.

Possibilities and Pitfalls

The above is a brief outline of the present trend of a new development. It is an enormous subject and is filled with both possibilities and pitfalls. Its history in Great Britain has shown that under proper guidance the investment trust principle is not only sound and profitable, but makes available to the small investor opportunities which he can get in no other way, without assuming undue risk. The British trusts have gained the public confidence to an extent not generally realized in this country. Prior to the war, their debentures sold freely on a 3½ per cent. basis, and the preference shares yielded approximately 4½ per cent. The debentures were extensively purchased by insurance companies, institutions, etc. The immediate problem that confronts us is whether this form of investment — comparatively new to us — is going to continue to grow on sound and serviceable lines, as it has in Great Britain, or, having achieved a certain amount of success, at the start, is it going to get out of hand and become a playground for not only incompetent, but dishonest promoters. The buoyant stock market of the last few years, together with the steady decline in interest rates, have stimulated optimism regarding the investment trusts to a point not justified. It is almost a certainty that this over-optimism will be capitalized by those who are constantly looking for an opportunity to make a quick turnover at the public's expense. With this in mind, investigations have already been initiated in New York—both by state and federal officials—and it is sincerely hoped by your committee that this prompt and timely action will go a long way to prevent the abuse to which the investment trust principle is in danger of being subjected.

Your committee hopes to co-operate in every way possible with government officials, and it is their feeling that a great opportunity along these lines lies open to all members of the I. B. A. The committee believes that they represent the attitude of a large majority of the association when they state that the investment trust, soundly formed and in the hands of honest and capable management, who run it primarily for the benefit of the investor himself, should be encouraged in every way. On the other hand, there will, in all probability, be instances of trusts run in such a manner as to bring the management undue profit. There will be instances where "blind pools" formed purely for speculation are created under the guise of high-grade investments. There will be other cases where investment trusts are used as a dumping ground for undesirable and slow-selling securities. The public must be educated and guided.

OSLER & HAMMOND

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Members {Toronto Stock Exchange
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21 JORDAN STREET, TORONTO

NEW ISSUE

$35,000,000

The Shawinigan Water & Power Company

First Mortgage and Collateral Trust Sinking Fund Gold Bonds
Series A, 4½%

Dated October 1, 1927 Due October 1, 1967

A banking group in the United States is offering a substantial amount of the above Bonds.

Interest April 1 and October 1. Coupon Bonds, $1,000 and $500 denominations, registerable as to principal only. Principal and interest payable, at holder's option, in Montreal, in Canadian gold coin, in New York City, in United States gold coin, or in London, in pounds Sterling at $4.86 2-3, without deduction as to Bonds held by residents of United States for present or future taxes imposed by any taxing authority in Canada. Callable on 30 days' notice as a whole or at any time, or in part on any interest date, at 103½ and interest on or before October 1, 1932, the premium thereafter decreasing ½% during each five-year period to 100½ and interest during the last ten years prior to maturity.

Montreal Trust Company, Trustee

CAPITALIZATION
(upon completion of present financing)

Funded Debt:	
First Mortgage and Collateral Trust Sinking Fund Gold Bonds (authorized $200,000,000) Series A, 4½% Bonds, (this issue)	$35,000,000
Capital Stock, one class, without par value (authorized 1,600,000 shares)..	1,200,000 shares

From his accompanying letter, J. E. Aldred, Esq., President, further summarizes as follows:

BUSINESS: **The Shawinigan Water & Power Company is one of the largest producers of hydro-electric power in the world. It owns, or controls through contracts with subsidiary and affiliated companies, water powers and hydro-electric power in the Province of Quebec aggregating over 1,000,000 horsepower, of which 650,000 h.p. is developed and now in use and 356,000 h.p. is undeveloped.**

The Company owns 1,400 circuit miles of high tension transmission lines, including lines to Montreal and the City of Quebec, and with subsidiary and affiliated companies, it has about 1,600 miles of distribution lines and furnishes electricity to 227 communities, comprising substantially all the larger cities and manufacturing districts in the Province of Quebec. Total population of territory served is about 2,300,000.

PURPOSE OF ISSUE: **Proceeds of these $35,000,000 Bonds, together with proceeds of 100,000 Shares of Capital Stock, included in the above statement of capitalization, will be used to retire, through call, all present funded debt of the Company, aggregating $26,392,500, and to supply more than $9,000,000 to defray cost of additions, improvements and acquisitions.**

SECURITY: **These Bonds will be secured by direct first mortgage on the Company's lands, rights in lands, water powers, dams, power houses and transmission lines now owned; by pledge of certain first mortgage bonds of electric and manufacturing companies, now controlled; and by floating charge on all other present and future assets of the Company. Except as stated above or as otherwise provided in the Mortgage the lien of the Mortgage will not extend to future acquired property or securities other than such as are made the basis of the issue of additional Bonds.**

Upon completion of present financing, total book value of properties and securities to be covered by these $35,000,000 of Bonds will be more than $50,000,000, of which more than $40,000,000 will comprise properties on which these Bonds will be a direct first mortgage and more than $10,000,000 will comprise first mortgage bonds of controlled companies. Actual value of the mortgaged properties considerably exceeds the above book values. Additional Bonds are issuable under restrictions of the Mortgage.

EARNINGS:

12 months ended		Gross Earnings	Net Earnings (before Depreciation and Income Taxes) Applicable to Interest Charges	*Interest Charges	Balance
December 31	1921........	$4,224,046	$2,838,995	$1,048,182	$1,790,813
	1922........	4,629,641	2,953,061	1,155,778	1,797,283
	1923........	5,110,539	3,170,893	1,189,333	1,981,560
	1924........	5,741,079	3,320,551	1,274,652	2,045,899
	1925........	6,702,034	3,700,877	1,334,538	2,366,339
	1926........	7,660,207	4,417,067	1,459,744	2,957,323
August 31,	1927........	8,818,111	4,813,730	1,574,356	3,239,374

*Includes interest charged to capital account.

Net earnings of $4,813,730 for 12 months ended August 31, 1927, as above, were more than 3 times the $1,575,000 annual interest requirement on this issue constituting total funded debt to be outstanding upon completion of present financing.

SINKING FUND: **Sinking Fund of 1% per annum (first payment December 31, 1928) on largest amount of First Mortgage and Collateral Trust Bonds outstanding in each year is to be used for purchase or call and retirement of Bonds issued under this mortgage.**

EQUITY: **Company's capital stock to be outstanding upon completion of present financing represents an indicated market valuation at present quotations in Montreal of more than $100,000,000. Dividends have been paid on Company's capital stock, from time to time outstanding, each year during last 19 years.**

We Recommend these Bonds for Investment

PRICE 95½ AND ACCRUED INTEREST, YIELDING OVER 4.75%

Bonds offered when, as and if issued and received by us and subject to approval of counsel. All legal details pertaining to this issue will be passed upon for the Bankers by Messrs. Simpson, Thacher & Bartlett, of New York, and for the Company by Messrs. Lafleur, MacDougall, Macfarlane & Barclay, of Montreal. It is expected that temporary Bonds will be ready for delivery on or about November 1st, 1927.

Aldred & Company
Limited

Wood, Gundy & Company
Limited

The Royal Bank of Canada

Bank of Montreal

The statements contained in this advertisement are not guaranteed but are based upon information we believe to be reliable and on which we acted in purchasing these securities.

October, 1927.

POWER HOUSE
Westinghouse
Mechanical Drive Turbines
Canadian Westinghouse Company Limited

Member
A B P

Taps Buying Power at its Source

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